

Vasakronan

Annual Report

2024





Places people want to be

Vasakronan works with a long-term perspective to care for and develop attractive environments where people want to be. This creates sustainable value for our customers, owners and society at large.



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● Annual Report

The annual accounts and consolidated accounts, as issued by the Board and CEO, comprise the Administration Report on pages 5–34 and the associated financial statements on pages 49–84. The annual accounts have been audited by Vasakronan's auditor, refer to the Auditor's report on pages 85–89.

● Corporate Governance Report

The Board is responsible for the Corporate Governance Report, which can be found on pages 35–48. The report has been examined by Vasakronan's auditor, and the auditor's opinion on the corporate governance report can be found in the auditor's report on pages 85–89.

● Sustainability Report

The Board is responsible for the preparation of the Sustainability Report, including the Statutory Sustainability Report. These can be found on pages 94–142. The Sustainability Report has been the subject of a limited assurance engagement conducted by Vasakronan's auditor according to GRI, refer to the auditor's limited assurance report on the sustainability report and statement regarding the statutory sustainability report on page 143.

Cover image: Terrace entrance level, Kista Science Tower, Stockholm



Our operations

[About Vasakronan](#)[Property portfolio](#)[The year in brief](#)[Assignment and business concept](#)[Business model](#)[Value chain](#)

Shown in the image:

Lumi, Södra City, Uppsala

Södra City is a new city district that is being developed in central Uppsala. This is where you will find the Lumi project development. It is a pioneer in large-scale reuse with substantially reduced emissions and a shorter construction time compared with demolition and new build. Lumi was inaugurated in October.



Sweden's leading property company

Vasakronan is one of Sweden's largest property companies and one of the world's most sustainable. We own, develop and manage 166 high-quality properties with a total market value of SEK 178 billion. The property portfolio is concentrated to prime locations and areas in Sweden's four largest growth areas – Stockholm, Uppsala, Gothenburg and Malmö.



Vasakronan's assignment

is to generate a high and long-term risk-weighted return for our owners the First, Second, Third and Fourth Swedish national pension funds. Though never at the expense of the environment and people. A return that will benefit Sweden's current and future pensioners.

We take responsibility

for our environmental impact and for all of the people who are affected by our business. We do so by creating good work and urban environments and applying fair working conditions. It goes without saying that we also say no to any form of discrimination.

We create value

by developing our properties, streetscapes and areas with the goal of making them attractive and sustainable. We work strategically over the long term and take responsibility for creating environments where people want to be. This creates significant value for our customers, owners and society at large.



Property value

SEK **178** billion

Rental revenue

SEK **9.4** billion

Environmentally certified properties

92%

Credit rating
Moody's

A3 stable outlook

Loan-to-value (LTV) ratio

40%

Specific energy consumption

70 kWh/sq. m.



Properties in prime locations

High-quality property portfolio and largest property owner in the city centre

Our property holdings are focused on modern, sustainable, flexible and centrally-located properties with office and retail space in parts of Sweden with healthy economic growth. The property portfolio focuses on attractive areas with good transport links and excellent possibilities for developing properties, streets and neighbourhoods as a cohesive whole. In all of these cities – Stockholm, Uppsala, Gothenburg and Malmö – Vasakronan is the largest property owner in the city centre.

Diversified tenant portfolio

Our lease portfolio includes leases with contracted rents totalling SEK 9.7 billion, and with an average remaining maturity of 3.4 years. The portfolio also has a highly diverse spread of tenants and sectors. The largest category is the public sector, which accounts for 24% and no individual tenant accounts for more than 3% of the contracted rent. Together, the ten largest tenants account for just 18%.

Gothenburg, 17%

SEK **31** billion

The largest property owner with a 25% market share in central Gothenburg.

Malmö, 7%

SEK **13** billion

The largest property owner with a 23% market share in central Malmö.

Uppsala, 7%

SEK **11** billion

The largest property owner with a 23% market share in central Uppsala.

Stockholm, 69%

central

SEK **98** billion

The largest property owner with a 8% market share.

inner suburbs

SEK **25** billion

The second-largest property owner with a 10% market share.

Contracted rent by property type



Offices, 77%



Retail, 16%



Other, 7%

The year in brief

Vasakronan continued to show its strength in 2024. Despite an uncertain operating environment, and a challenging economy and lettings market, we displayed an ability to adapt and navigate while maintaining stability. We continued to develop our property portfolio and our areas, acquired one property and completed several major projects. We have also strengthened our customer relationships and we are delivering stable income from property management and a higher operating surplus.



New lettings and renegotiations

During the year, new lettings and renegotiations were signed that correspond to annual rent of SEK 697 million and SEK 1,859 respectively and where the latter set a record for the company. The largest letting of the year was signed in the fourth quarter with If, which is leasing 8,800 square metres and moving to Nordstan in Gothenburg in 2028. The lease runs for ten years and involves the premises currently occupied by SEB, SEB will vacate the premises to move to Vasakronan's Kaj 16 development, which is currently under construction at Lilla Bommen. Another major letting took place in the first quarter with Nasdaq, which will be a tenant at Klara Zenit in central Stockholm. It is a ten-year lease for 8,300 square metres.

Despite the challenging economic climate, the occupancy rate of our retail premises remains high at 96% and we completed a number of successful lettings during the year at locations such as Triangeln in Malmö as well as Fredstan and Nordstan in Gothenburg.



Refinement of the property portfolio continues

Development projects remain an important part of Vasakronan's business and we finalised three projects during the year: Hötorgshus 2 and Grev Tureplan in Stockholm; and Kronhusgatan in Gothenburg. Located at Stureplan in central Stockholm, Grev Tureplan is a good example of how our projects contribute to the development of urban environments. The project involved an upgrade and modernisation of this fully let property, with a total investment of SEK 690 million. We are also continuing to work on our major urban development areas and in Gothenburg the focus is on Lilla Bommen. Södra City in Uppsala is another of our major urban transformation projects. We welcomed companies, mainly in Life Science, to our project development Lumi during the year, and the building is fully let. It is an exciting project and one where we have successfully explored the possibilities of large-scale reuse.

Transaction market activity has picked up and compared with the previous year, volumes are up in our markets. We have also been active and acquired SthimHUB at Stockholm Central Station during the year for a property value of SEK 715 million.



A3
stable
outlook

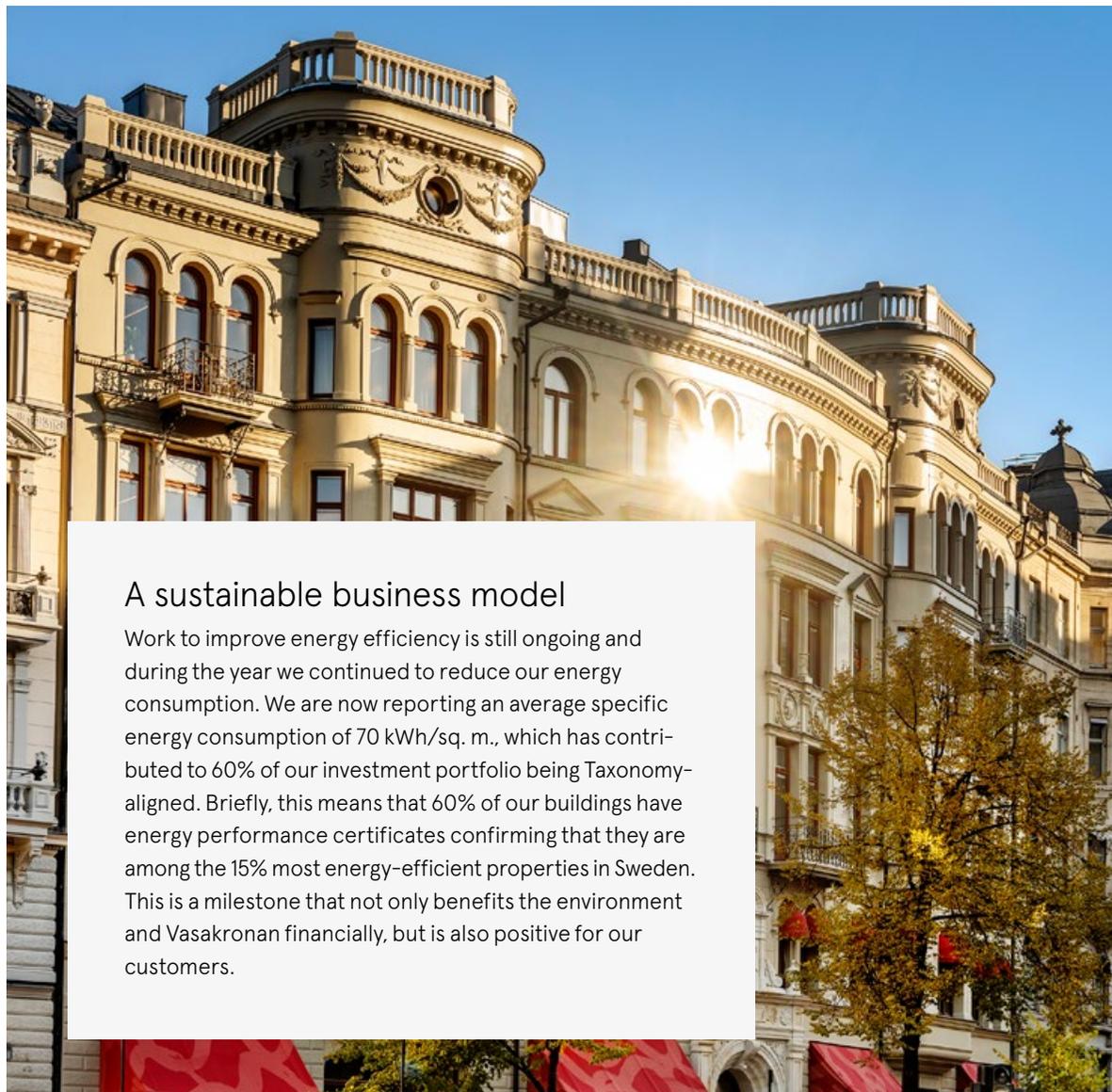
Strong credit rating

Moody's affirmed Vasakronan's rating of A3, stable outlook during the year. The rating is motivated by factors such as the strong ownership structure, good access to liquidity, and the property portfolio's high quality and a large proportion of public sector tenants. The rating is an important precondition for ensuring access to financing and reaching our goal of a diversified financing structure, and during the year a total of SEK 7 billion was raised in the bond market.

The fact that we have retained our strong credit rating and that we have continuously been able to issue bonds in recent years showcases our financial strength and the confidence we have from our investors.

A sustainable business model

Work to improve energy efficiency is still ongoing and during the year we continued to reduce our energy consumption. We are now reporting an average specific energy consumption of 70 kWh/sq. m., which has contributed to 60% of our investment portfolio being Taxonomy-aligned. Briefly, this means that 60% of our buildings have energy performance certificates confirming that they are among the 15% most energy-efficient properties in Sweden. This is a milestone that not only benefits the environment and Vasakronan financially, but is also positive for our customers.





2024 in figures

Despite an uncertain operating environment, Vasakronan delivered stable figures in the underlying operations with unchanged strong income from property management. Vasakronan remains strong with a stable financial performance and good access to financing.

Amounts in SEK million	2024	2023
Rental revenue	9,447	9,157
Operating surplus	7,055	6,862
Net financial items	-1,885	-1,730
Income from property management	4,845	4,852
Change in value of investment properties	444	-16,550
Profit for the year	3,823	-10,858
Cash flow from operating activities	4,795	4,534
Cash flow after investing activities	1,498	1,686
Market value of properties	178,183	174,569
Surplus ratio, %	75	75
Closing average interest rate, %	2.6	2.7
Interest coverage ratio, multiple	3.6	3.8
Loan-to-value (LTV) ratio, %	40	42
Environmental certification of investment portfolio, share of market value, %	92	93
Specific energy consumption on closing date, kWh/sq. m., rolling 12 months	70	73
Primary energy demand on closing date, kWh/sq. m.	78	81

Rental revenue

increase in the total property portfolio

+3%

Operating surplus

increase in the total property portfolio

+3%

Income from property management

outcome full-year

4.8 SEK billion

Interest

coverage ratio outcome full-year

3.6 x

Property value

change in value full-year

+0.3%

Specific energy consumption

improvement

4%



Assignment

Vasakronan's assignment is to generate a high and long-term risk-weighted return for our owners the First, Second, Third and Fourth Swedish national pension funds. Though never at the expense of the environment and people. A return that will benefit Sweden's current and future pensioners.

Vision

Our vision is to create future-proof cities for everyone, where people and companies thrive.

Business concept

Our offering of premises creates preconditions for people and operations to perform at their best.

We own properties and develop areas and urban environments into dynamic places that are attractive and sustainable over the long term.

Ambition

Vasakronan is Sweden's leading property company through being:

- The preferred choice for everyone seeking commercial premises.
- Best in urban development.
- One of the world's most sustainable property companies.
- The most attractive employer in the industry.



Our business model

We create value by letting premises for recurring revenue, along with managing and refining our properties for a positive value change. Our business model has enabled us to achieve our goal of a long-term high return.

Property portfolio

Our holdings comprise modern, sustainable properties in attractive areas situated in growth regions of Sweden.

Premises offering

We offer our customers a broad range of premises for offices and city retail coupled with a high degree of service and flexible business solutions.

Sustainable value creation

We generate value for our stakeholders throughout the entire value chain. We deliver a high and long-term risk-weighted return, though never at the expense of the environment and people.

Operations are guided by clear strategies and long-term goals.



Investment strategy

We focus on investments in long-term attractive growth markets and areas. We continuously refine the property portfolio through development and additions.

Operational strategy

We follow our customers in their development and offer solutions to meet their needs. We manage our properties and premises with a focus on quality, efficiency and sustainability.

Financing strategy

We strive to have low financial risk through active debt management and long-term green financing.

Long-term goal

An average total yield of at least 6.5% per year, over a rolling ten-year period. The total yield is also to be 0.5 percentage points above the industry average.



Our business model, continued

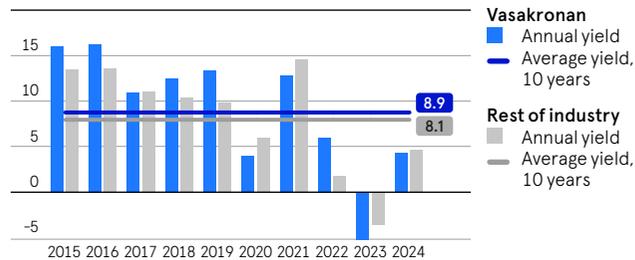


Business model for profitability and value creation

Our business model enables us to achieve profitability and create sustainable value for our stakeholders. The overriding goal is to deliver a high and long-term risk-weighted return, though never at the expense of the environment and people.

Our profitability is derived from letting premises at our properties for recurring revenue along with managing and refining our properties in an increasingly sustainable way for a positive value change. This is how we achieve a high total yield that enables us to distribute dividends to our owners and reinvest in the business.

Total yield, %



Sustainable properties in attractive areas

Our portfolio consists of modern, high-quality properties at prime locations in Sweden, where long-term economic growth is strong. It is the foundation for our offering, which is office and retail premises. The portfolio is concentrated to attractive areas with good transport links. It provides us with good opportunities for developing properties, precincts and areas as a whole.

We manage our properties with a low environmental impact. Smart technological solutions facilitate higher efficiency and profitability, while simplifying our customers' daily tasks. The current property portfolio is also continuously developed to meet the demands of the market, together with new construction at locations where there is a strong demand. This is supplemented by vigorous transaction activities that refine the property portfolio based on the prevailing market conditions.

We work long-term with the goal of creating environments where people want to be. We thus meet our customers' needs and improve the appeal of the areas around our properties. This increases earnings and helps us achieve our vision of future-proof cities for everyone, where people and companies thrive.

Understanding customers for profitability

The core of Vasakronan's business is letting premises for offices and city retail, in combination with offering tenants a high degree of service and flexible business solutions. Our customers are at the centre of everything we do and our success depends on our ability to understand and meet their needs. This is why we keep abreast of our customers' development and maintain close dialogues with them.

We strive to have a broad customer base with a high diversification of tenants and industries. A high quality property portfolio and strong offering enables us to offer tenants new premises within the property portfolio when their needs change.

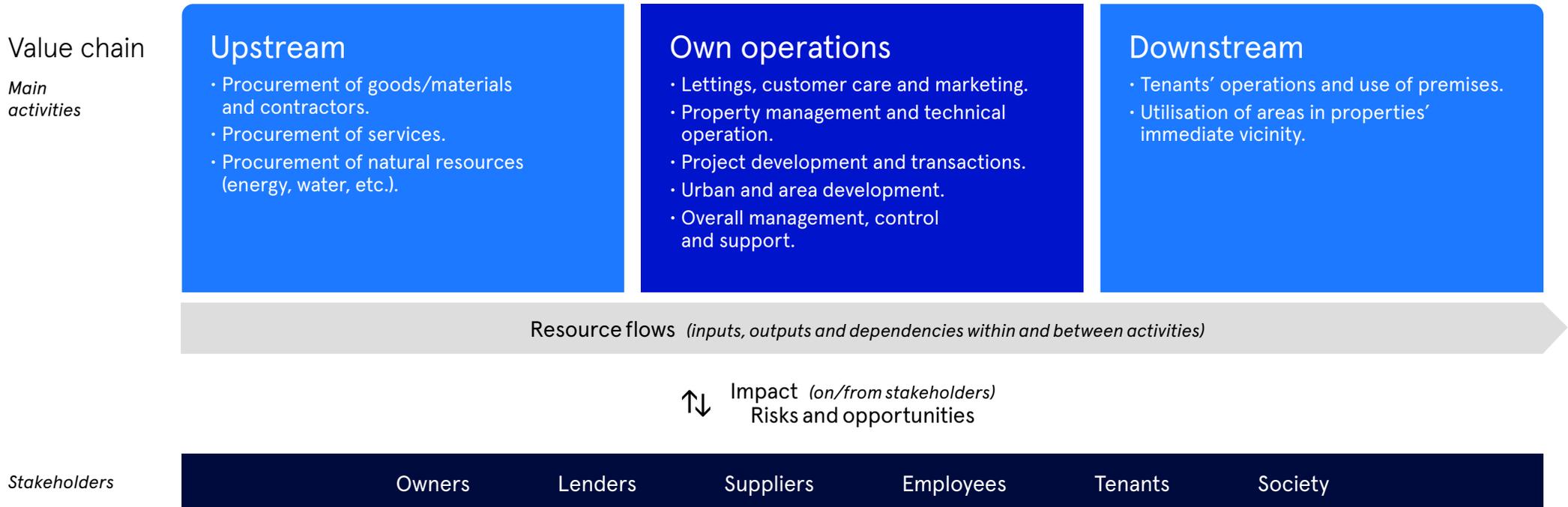
Stakeholders

Our success in creating sustainable value requires that we continuously survey and understand the expectations of our stakeholders and how our business affects them. For this very reason we maintain ongoing dialogues with stakeholders.



Our value chain

The value chain showcases the company from a resource perspective and describes all activities that take place inside and outside our business, in order to run profitable and value-creating operations for us and our most important stakeholders. It is also the starting point for the assessment of how we impact our operating environment, and the assessment of risks and opportunities, both directly in our own operations and indirectly via activities upstream and downstream in the value chain.



Our value chain, continued

Our operations and impact

Every activity in Vasakronan's value chain has some impact on people, the environment and society. Because of that, we have certain responsibilities that we must meet. At the same time, people, the environment and society impact us and our ability to conduct our operations based on our business model and strategies.

The impact arises directly in own operations, as well as upstream from the activities necessary for running the business. There is also a downstream impact from our tenants' use of the premises along with their utilisation of areas in the immediate vicinity of our properties.

Own operations

Vasakronan's own operations and business model are at the centre of our value chain and this is where we create value by letting premises along with managing and refining our properties. The starting point is our 166 properties with a total lettable area of 2,397 thousand square metres.

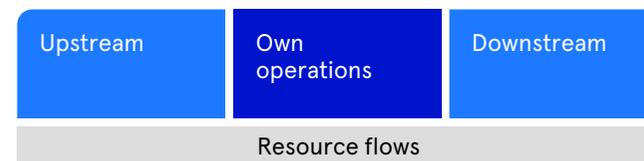
Lettings and marketing primarily focus on new customers. Another focus however is retaining existing customers and finding them new premises when their needs change. The property portfolio is developed in a variety of ways: new

construction; renovations; extensions; leasehold improvements; and acquisition and divestment of properties. Project management is primarily performed by our own employees, as is technical management.

Intellectual capital in the form of human and structural capital is the main resource needed for our own operations and Vasakronan has nearly 300 employees contributing their expertise, experience and innovativeness.

Upstream activities

We depend on suppliers and other business relationships that conduct upstream activities in the value chain. The activities mainly comprise various types of purchases, where we rely on some 2,500 suppliers mainly from Sweden. A large share of the purchases is associated with development of the property portfolio, where we use materials, goods, contracting and consulting services in conjunction with renovation, new construction, extension and leasehold improvements. In total, we invest around SEK 3 billion in our properties each year. Technical management and daily operations also require materials, goods and some administrative services, the latter of which we have chosen to outsource.



The procurement and use of natural resources comprises one activity that has a significant impact, primarily in the form of the energy and water used for operating our properties. The total consumption of heating, cooling and landlord controlled electricity amounts to slightly more than 200 GWh. This use leads to GHG emissions, where buildings account for just over 20% of all GHG emissions in Sweden.

A prerequisite for being able to conduct business is access to capital. This is ensured through equity from our owners and through externally borrowed capital, primarily in the international capital market. External borrowings amount to approximately SEK 75 billion.

Downstream activities

Activities associated with the use of our properties and premises arise from our business. The activities mainly comprise tenants using our premises and conducting their business there. In total, we have more than 4,000 office and retail tenants with operations primarily in the public sector and service sector.

Besides our own tenants, other people spend time in and around our properties. The large flow of people at our properties means that there is a mutual impact from them and us on the immediate surroundings and local community.



Financial overview

[Comments to the financial statements](#)[Other information](#)[Segment overview](#)[Quarterly overview](#)[Five-year overview](#)[Risks and risk management](#)

Shown in the image:

Fredstan, Gothenburg

With 250 stores, restaurants and hotels, Fredstan is a dynamic city district in the heart of Gothenburg. Vasakronan has been working for many years to develop the area. Several new actors decided to set up business there during the year, including Sephora, Arkivet and Subdued.



Comments to the financial statements

Earnings and financial position

Unless otherwise stated, earnings and cash flow items encompass the January–December 2024 period and are compared with the year-earlier period. Likewise, balances pertain to the position at the end of December 2024 and are compared with the position at the end of 2023. Performance measures and their calculations are presented on pages 29–30.

Rental revenue

Rental revenue for the year increased 3% to SEK 9,447 million (9,157). The increase was due to indexation and revenue from new construction and redevelopment projects as well as the acquisition of SthlmHUB. Most of Vasakronan’s leases include indexation clauses that primarily follow the consumer price index. Approximately two thirds of the total lease portfolio is subject to quarterly indexation, while the remainder has annual indexation. For comparable property holdings, the increase in rental revenue was 1%.

Property expenses

Property expenses increased 4% during the year to SEK 2,392 million (expense: 2,295). For comparable property holdings, the increase was 3%. The increase was attributable to items including increased costs for maintenance and repairs, and higher property tax costs as a result of raised tax assessment values for properties with completed new construction and redevelopment projects.

Operating surplus and reported yield

Operating surplus for the year increased 3% to SEK 7,055 million (6,862). In comparable property holdings, the increase in operating surplus was 1%. The surplus ratio was 75%, which was unchanged year-on-year.

The reported rolling 12-month yield increased to 3.93% (3.74) for the total property portfolio and 4.05% (3.90) for the investment portfolio.

Central administration

Central administration costs were on a par with the previous year and amounted to to SEK 112 million (cost: 111).

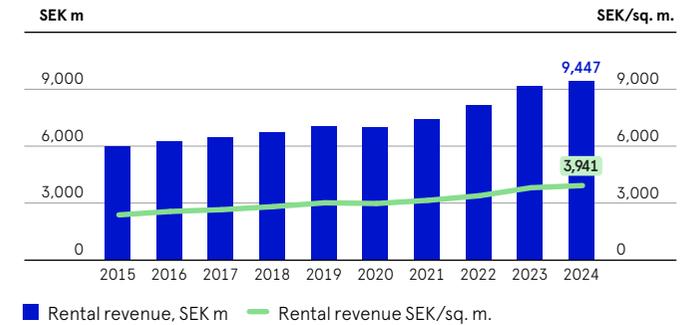
Net interest

Net interest for the year deteriorated to an expense of SEK 1,885 million (expense: 1,730), mainly due to higher average interest rates during the year. The average interest rate for loans and derivatives in the debt portfolio fell during the autumn and amounted to 2.6% at the end of 2024, compared with 2.7% at the end of 2023. The LTM interest coverage ratio deteriorated to a multiple of 3.6 (3.8), due to higher interest expenses.

Income from property management

Income from property management amounted to SEK 4,845 million (4,852). It was positively impacted by a higher operating surplus, which was offset by higher interest expenses. Interest expenses for right-of-use assets have also risen, primarily as a result of increases in assessed ground rents for ground rent agreements that expired but are still under negotiation.

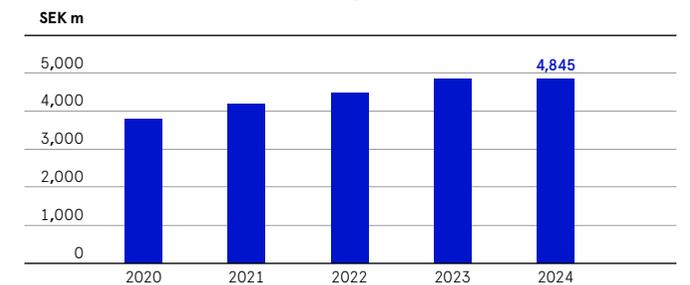
Rental revenue



Interest coverage ratio



Income from property management



Result from participations in associates and joint ventures

The result from associates and joint ventures pertains to Vasakronan's holdings in Stora Ursvik and Järvastaden that develop residential development rights, and the associates Hydda Holding and PropTech OS, which operate in PropTech. Profit for the year from these companies amounted to a total loss of SEK 1 million (loss: 211).

SEK m	Jan-Dec 2024	Jan-Dec 2023
Income from property management	-5	-4
Change in value of investment properties	48	-171
Other operating profit/loss	-34	-67
Tax	-10	31
Total result from participations in associates and joint ventures	-1	-211

Change in value of investment properties

Every year and mid-year, the entire property portfolio is valued by external valuation experts. As before, these valuations provide the basis for the external reporting. External valuations are made according to RICS Red Book guidelines and MSCI Sweden Annual Property Index.

On 31 December 2024, the entire property portfolio had been valued by external appraisers Cushman & Wakefield and Forum Fastighetsekonomi, respectively. The valuations apply the same methodology as previous external valuations. Market value is influenced by property-specific events during the period, such as new and renegotiated leases, properties being vacated and investments made. Consideration has also been given to any assessed changes in market rents and yield requirements since the previous valuation.

A more comprehensive description of Vasakronan's property valuation methodology is available in Note 4.2 on pages 68–71.

The total change in property value for the year amounted to an increase of SEK 444 million. This included a positive effect of SEK 25 million attributable to the adjustment of a previously completed transaction. The unrealised change in value amounted to an increase of SEK 420 million (decrease: 16,550), which corresponded to a 0.3% increase (decrease: 8.7) in value.

Office properties in Gothenburg and Stockholm's CBD as well as public sector properties posted positive value trends, where offices in Gothenburg performed best. The change in value for investment properties amounted to a decrease of SEK 35 million (decrease: 15,374), which corresponded to a 0.0% decrease (decrease: 8.6) in value. The change in value for project developments and development properties amounted to an increase of SEK 494 million (decrease: 1,060), up 6.1% (down: 12.2).

The average yield requirement used for valuation of the property portfolio was 4.52%, compared with 4.51% for corresponding properties at the end of 2023.

Average yield requirement

	Yield requirement, %	Change for the period, percentage points
Stockholm	4.38	-0.02
Gothenburg	4.57	0.07
Uppsala	5.13	0.07
Malmö	5.12	0.07
Total	4.52	0.01

Factors impacting value

	Value impact, %
Yield requirement	-0.19
Market rents, long-term vacancies and other changed cost and investment assumptions	0.48
Total	0.29

Change in value by region

	Change in value, %	Contribution to change in value, percentage points
Stockholm	0.27	0.18
Gothenburg	1.51	0.26
Uppsala	-2.11	-0.14
Malmö	-0.20	-0.01
Total		0.29

Change in value, by category

	Change in value, %	Contribution to change in value, percentage points
Investment properties	-0.02	-0.02
Project developments and development properties	6.07	0.29
Transactions		0.02
Total		0.29

Sensitivity analysis yield requirements

Change	Affects	Impact
+/-0.25 percentage points	Market value	-9,256/+10,346 SEK m
+/-0.25 percentage points	Loan-to-value (LTV) ratio	+/-2.2 percentage points



Change in value of financial instruments

The value change in derivatives amounted to a decrease of SEK 418 million (decrease: 1,720). The negative change in value was primarily due to falling market interest rates. Derivatives are used to secure energy prices, adjust interest-rate risk in the loan portfolio and to hedge borrowings in foreign currencies.

Tax

A total tax expense of SEK 1,045 million (income: 2,774) was reported for the year. Of the tax, an expense of SEK 311 million (expense: 341) comprised current tax expense and SEK 734 million (income: 3,115) comprised deferred tax expense resulting from temporary differences attributable to a change in value for investment properties and financial instruments.

On 31 December 2024, the deferred tax liability was SEK 25,820 million, compared with SEK 25,093 million at year-end 2023. The deferred tax liability pertained primarily to investment properties.

Cash flow

Cash flow from operating activities before changes in working capital was SEK 4,453 million (4,589). Investments in existing properties amounted to SEK 2,415 million (2,802) and property acquisitions to SEK 779 million (0). Acquisitions pertain to Uggleborg 14, SthlmHUB in the first quarter with an underlying property value of SEK 715 million and to the acquisition of land in the Lilla Bommen area in Gothenburg for SEK 88 million in the fourth quarter. Cash flow after investing activities thus amounted to an inflow of SEK 1,498 million (inflow: 1,686).

The change in net debt affecting cash flow, including pledged assets, amounted to a negative SEK 845 million (negative: 1,445) during the year. Other changes in net borrowing pertain to revaluation of foreign currency borrowings, which did not impact cash flow. Altogether, cash and cash equivalents increased SEK 653 million (241) and totalled SEK 3,878 million (3,225) at the end of the year.

Equity

Equity amounted to SEK 82,701 million as of 31 December 2024, compared with SEK 78,902 million at the end of 2023. Comprehensive income for the period amounted to SEK 3,798 million, compared with a loss of SEK 10,875 million for the previous year.

At the end of the year, the equity/assets ratio was 42%, compared with 40% at year-end 2023.

Property acquisitions

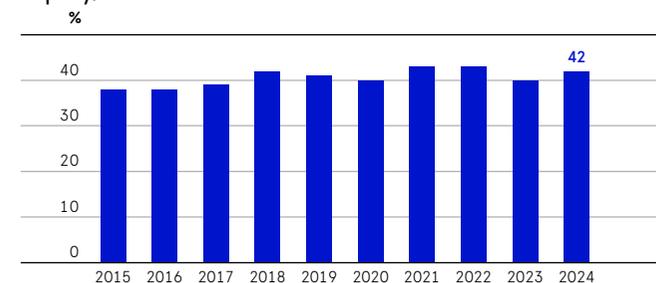
Property	City	Seller	Purchase price, SEK m	Occupancy
Uggleborg 14, SthlmHUB	Stockholm	Union Investment	715	March 2024
Gullbergsvass 1:16 (Transfer of title to land)	Gothenburg	City of Gothenburg	88	December 2024
Total property value			802	
Transaction costs, as well as deduction for deferred tax			-23	
Total acquisitions			779	

Sensitivity analysis earnings and cash flow

	Change	Affects	Impact
Rental revenue	+/- 1%	Income from property management	+/- 94 SEK m
Occupancy rate	+/- 1 percentage point	Income from property management	+/- 123 SEK m
Property expenses	+/- 1%	Income from property management	-/+ 24 SEK m
Interest expenses ¹⁾	+/- 1 percentage point	Income from property management	-/+ 116 SEK m
Interest expenses ¹⁾	+/- 1 percentage point	Interest coverage ratio	-/+ 0.2x

1) Effect calculated based on the maturity structure as of the balance-sheet date.

Equity/assets ratio



Property holdings and lease portfolios

Property portfolio

As of 31 December 2024, Vasakronan's entire property portfolio had been valued externally. The assessed market value of the property portfolio was SEK 178,183 million at the end of the period (174,569). Investments in existing properties amounted to SEK 2,415 million (2,802) during the year and property acquisitions to SEK 779 million (0).

The total change in property value for the year amounted to an increase of SEK 444 million, which included a positive effect of SEK 25 million attributable to the adjustment of a previously completed transaction. The unrealised change in value amounted to an increase of SEK 420 million (decrease: 16,550), which corresponded to a 0.3% increase (decrease: 8.7) in value.

Change in property values

SEK m	2024	2023
Opening value, 1 January	174,569	188,317
Investments	2,415	2,802
Acquisitions	779	0
Sales	0	0
Change in value	420	-16,550
Closing value, 31 December	178,183	174,569

Investments

Investments were made in new construction and existing properties. Premises are often renovated in connection with new lettings, which thereby increases rental value. Of the investments during the year, 20% were investments directly linked to new lettings.

At the end of the year, the total investment volume of ongoing property projects amounted to SEK 5,394 million (6,831), of which 48% (45) had been capitalised. Two property

Ongoing property projects

City	Property	Total investment, SEK m	Share capitalised, %	Area of premises, sq. m.	Start Occupancy	Occupancy rate, % ¹⁾	Estimated completion date	LEED environmental certification ²⁾
Gothenburg	Kaj 16	1,600	18	30,000	Q2 2027	43	May 2027	Platinum
Uppsala	Lumi	740	99	15,000	Q2 2024	100	Dec 2024	Platinum
Stockholm	Hästkopalatset	600	88	9,100	Q1 2025	89	Apr 2025	Platinum
Total major property projects		2,940	54	54,100		71		
Other projects		2,454	42					
Total		5,394	48					

1) Calculated based on area. 2) Forecast at completion.

projects were completed during the fourth quarter, Grev Tureplan in Stockholm and Kronhusgatan in Gothenburg. Grev Tureplan was an office property upgrade and modernisation, and remains a key component in the development of Stureplan. It represents an investment of SEK 690 million and the property is fully let. For Kronhusgatan, 2,500 square metres of offices were converted into a school, with NTI Gymnasiet as the tenant. The project is fully let and the investment amounted to just under SEK 70 million. The Lumi project in Uppsala is also nearing completion and the project was inaugurated in the fourth quarter. At the end of the year, the occupancy rate for major projects was 71% (66). In total, leases have been signed in major ongoing projects equivalent to SEK 190 million in annual rent. The total contracted annual rent for these projects when fully let is estimated at SEK 270 million.

Right-of-use assets and lease liabilities

Right-of-use assets pertain mainly to ground rent agreements that are given market valuations by discounting future fees using a discount rate corresponding to between 3.00 and 3.75%.

On 31 December 2024, right-of-use assets totalled SEK 7,554 million, compared with SEK 6,329 million at year-end 2023. Lease liabilities for ground rent agreements and land leases amounted to SEK 7,555 million (6,330). The increase was attributable to assessed higher ground rents on the ground rent agreements that expired during the year but that are still under negotiation as well as to the acquisition of the leasehold for Uggleborg 14 in the first quarter.

Environmental certification

Vasakronan has set high goals for environmental certification of its property portfolio. Our ambition is for the share of properties certified in accordance with LEED Gold or higher to increase and to obtain environmental certification for the entire investment portfolio. At the end of the year and on a market value basis, 92% (93) of our investment portfolio was environmentally certified, of which 85 percentage points (84) were certified according to LEED Gold or higher.

Lease portfolio

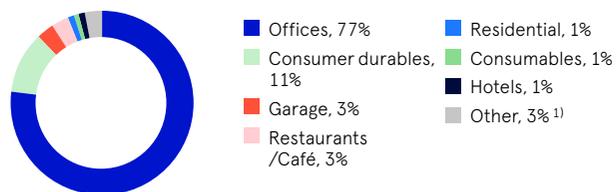
Contracted annual rent amounted to SEK 9,718 million at the end of the year, compared with SEK 9,465 million at the end of 2023. The average remaining maturity for the entire lease portfolio was 3.4 years (3.3). Of contracted rent, 24% (24) pertained to the public sector. The average remaining term for these contracts was 5.0 years (5.2).

Occupancy rate

The occupancy rate at the end of the year was 89.1%, compared with 90.9% at the end of 2023. Of total vacancies, 0.5 percentage points (0.3) were attributable to ongoing project developments and development properties. The decrease in the occupancy rate was due to items including the move of the Royal Swedish Opera and Dramaten from 31,200 square metres at Kvarnholmen in Nacka. As part of a new residential area along Gäddviken, the plan is to redevelop the premises as housing.

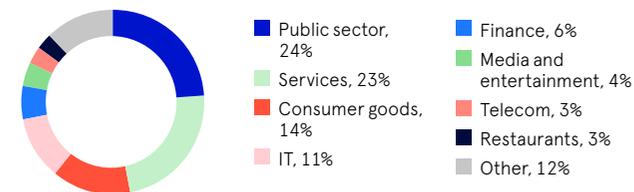
At the end of the year, the occupancy rate was 88.0% for offices and 95.7% for retail, compared with 90.1% and 95.6%, respectively, at the end of 2023.

Lease breakdown by segment, share of contracted rent



1) Other encompasses sectors including health and social care, sports and recreation facilities, and warehouses.

Lease breakdown by sector, share of contracted rent



Largest tenants, share of contracted rent

	Share in %
Swedish Police Authority	3
Ericsson	3
Swedish Prison and Probation Service	2
The Swedish Tax Agency	2
H&M	2
Försäkringskassan (Social Insurance Agency)	2
King	1
Scandic	1
EY	1
Swedish National Courts Administration	1
Total	18

Maturity structure for contracted rent

	No. of contracts	Annual rent, SEK m	% of total
2025	1,708	1,635	17
2026	794	1,602	16
2027	724	1,841	19
≥2028	759	4,257	44
Total	3,985	9,336	96
Residential	1,191	121	1
Garage	-	261	3
Total	5,176	9,718	100

Net lettings and renegotiations

New lettings corresponding to 128,000 square metres (117,000) and an annual rent of SEK 697 million (609) were contracted during the year, of which 13% (15) of the annual rents impacted on revenue in 2024.

New lettings in the fourth quarter included a ten-year lease totalling 8,800 square metres with If in Nordstan in central Gothenburg. The move for If is planned for autumn 2028, when the current tenant, SEB, will be leaving the premises to move to Vasakronan's Kaj 16 project development, which is currently under construction at Lilla Bommen. New lettings meant that net lettings were positive for the fourth quarter, amounting to SEK 23 million.

One of the largest lettings during the year occurred in the first quarter. It was a letting to Nasdaq in the Klara Zenit property in Stockholm that comprises 8,300 square metres.

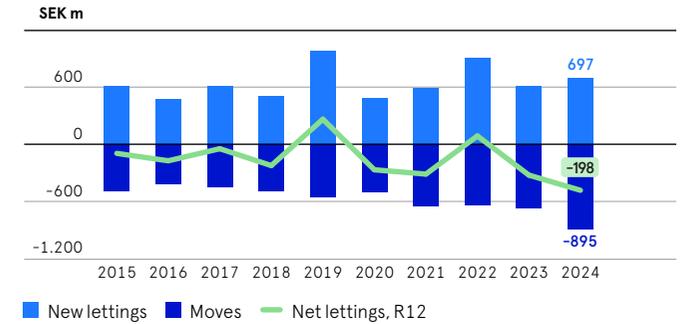
Notices to vacate were received during the year corresponding to annual rent of SEK 893 million (673) and net lettings were negative at SEK 197 million (negative: 65). A certain share of the notices comprised reductions in existing leases in connection with renegotiation or extension.

Lettings corresponding to 361,000 square metres (345,000) and an annual rent of SEK 1,859 million (1,480) were renegotiated or extended during the year. These negotiations resulted in a decrease on the previous rent payable of 0.4% excluding index. Renegotiations during the fourth quarter included XXL, which signed an 11-year extension for its 3,000 square metre store at the Spektern 13 property on Hamngatan in central Stockholm. The law firm Gernandt & Danielsson extended its agreement for 5,400 square metres at the Skravelberget Mindre 12-13 property at the intersection of Birger Jarlsgatan Hamngatan in Stockholm for another seven years.

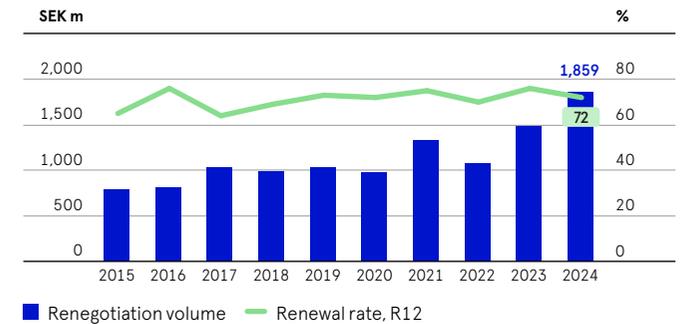
Major renegotiations and extensions previously in the year included King's extension of its lease of 7,700 square metres at Sergelhusen in central Stockholm in the third quarter. In Gothenburg, during the third quarter, Sweco also chose to retain its lease of 8,800 square metres at the Bärnstenen property and COWI of 7,100 square metres at the Platinan property.

Of all the contracts that have been the subject of renegotiation and extension in the past twelve months, almost 72% (76) have chosen to remain a tenant of Vasakronan.

Net lettings



Renegotiations and lease extensions



Financing

Interest-bearing liabilities

To reduce risk, Vasakronan aims to have as broad a financing structure as possible, both in terms of loan instruments and in terms of markets. The majority of borrowing is unsecured and is raised in the international capital market through bonds. All foreign currency borrowing is hedged through cross-currency derivatives.

Through our A3 strong rating and due to our close links to state ownership, Vasakronan has continued to have good access to financing throughout the period. Vasakronan issued bonds for a total of SEK 6.7 billion (10.1) during the year with maturities of between two and ten years in the Swedish and Norwegian bond markets. During the year, unsecured bank loans totalling SEK 590 million (0) were also raised with the Nordic Investment Bank (NIB).

At the end of 2024, interest-bearing liabilities amounted to SEK 74,767 million, compared with SEK 76,259 million at the end of 2023. After deduction of cash and cash equivalents, net debt amounted to SEK 70,889 million, compared with SEK 73,034 million at the end of 2023. At the end of the year, the loan-to-value ratio was 40% compared with 42% at year-end 2023.

The average interest rate for loans and derivatives declined to 2.6% at the end of 2024, compared with 2.7% at the end of 2023.

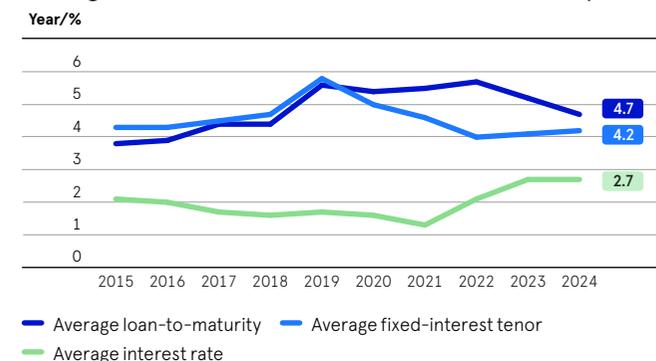
To minimise financing risk and secure its access to capital, the company has a credit facility with its owners that totals SEK 18 billion. The agreement extends until further notice with a notice period of two years. As before, the credit facility was

unutilised during the period. The average loan-to-maturity, including the above credit facilities, amounted to 4.8 years (5.2) at the end of the year and the average fixed-interest tenor was 4.1 years (4.1).

Financial risks

	Financial policy in brief	Outcome, 31 Dec 2024
Financing risk		
Loan-to-maturity, excluding unutilised credit commitments.	min. 2 years	4.5 years
Loan-to-maturity	-	4.8 years
Loans maturing, 12 months	max. 40%	18%
Credit commitments and cash/loans maturing 12 months	min. 100%	163%
Interest-rate risk		
Interest coverage ratio	min. 2.0x (LTM)	3.6x
Fixed-interest period	min. 2 years	4.1 years
Fixed-interest maturity within 12 months	max. 55%	18%
Credit risk		
Counterpart's rating	min. A-, or BBB+ with CSAs	met
Currency risk		
Currency exposure	No exposure	met
Other		
Secured financing/total assets	max. 20%	6%

Average interest rate, tenors and loan-to-maturity



Fixed-interest tenors and loan-to-maturity

Maturity date	Fixed-interest		Loan-to-maturity	
	SEK m	Share, %	SEK m	Share, %
0-1 year	13,243	18	13,226	18
1-2 years	6,595	9	10,262	14
2-3 years	21,838	29	11,755	16
3-4 years	8,848	11	10,417	14
4-5 years	8,093	11	6,368	8
5-6 years	1,167	2	4,669	6
6-7 years	1,587	2	3,510	5
7-8 years	1,191	2	2,550	3
8-9 years	1,734	2	4,752	6
9-10 years	5,061	7	787	1
10 years or more	5,410	7	6,471	9
Total	74,767	100	74,767	100

Green financing

In 2013, Vasakronan issued the world’s first green corporate bond, and in 2018 we issued the world’s first green commercial paper. Vasakronan is Sweden’s largest issuer of green corporate bonds and commercial paper, and all borrowing during the period has been green.

At year end, the total volume of financing under Vasakronan’s Green Finance Framework amounted to SEK 52.1 billion (51.8). At the same time, green assets encompassed by the framework totalled SEK 78.8 billion compared with SEK 64.7 billion at the end of 2023. The increase was primarily because of energy improvements at existing properties. At year end, the remaining approved borrowing capacity was SEK 26.8 billion (12.9), which means that all loans maturing going forward will be possible to finance according to Vasakronan’s Green Finance Framework.

The percentage of green financing, consisting of green bonds, green commercial paper and green bank loans, amounted to 83% (83) of the total loan portfolio. A more comprehensive description of the company’s green financing and the investments made under Vasakronan’s Green Finance Framework is available on Vasakronan’s website.

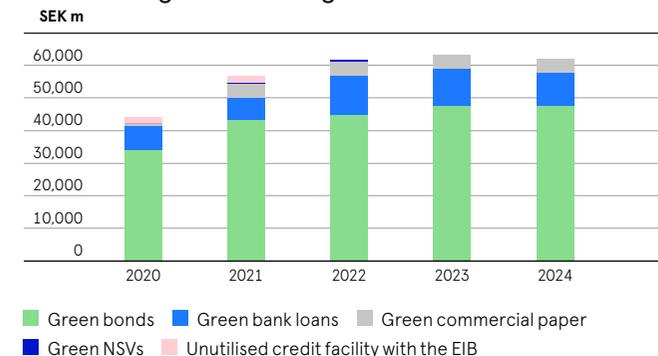
Breakdown of funding sources

SEK m	Carrying amount, SEK m	Share, %
Commercial paper	4,483	6
Bonds, SEK	27,085	36
Bonds, NOK	11,916	16
Bonds, EUR, AUD, USD, HKD, CHF, JPY	15,681	21
Secured bank loans	11,138	15
NIB and EIB	4,464	6
Total	74,767	100

Green financing

Green financing under the framework	Amount in SEK million
Green commercial paper	4,483
Green bonds, SEK	27,085
Green bonds, NOK	8,212
Green bonds, EUR, AUD, USD, HKD, CHF, JPY	12,284
Total	52,064
Green bank financing	
Green secured bank loans	5,606
Green loans from the EIB and NIB	4,467
Total	10,073
Green financing, total	62,137
Percentage of green financing in the total loan portfolio	83%

Breakdown green financing



Other information

Parent Company

The operations of the Parent Company, Vasakronan AB (publ), consist of Group-wide functions and providing an organisation for the management of properties owned by subsidiaries. The Parent Company does not directly own any properties.

The Parent Company's revenue for the year was SEK 796 million (781), which primarily comprised the Parent Company's invoices to the subsidiaries for services rendered. Profit from participations in subsidiaries of SEK 4,390 million (7,394) pertained primarily to dividends and Group contributions.

The value change in derivatives amounted to a negative SEK 418 million (negative 1,720), which was due to the decline in long market interest rates. Profit before tax thus amounted to SEK 3,981 million (5,350). Closing cash and cash equivalents amounted to SEK 3,874 million (3,222).

Personnel

The number of employees at the end of 2024 was 311, compared with 300 at the end of 2023. In 2024, the average number of employees was 304 (297), and of these 155 (141) were women and 149 (157) men. At the balance-sheet date, the gender breakdown of the Group's senior executives was as follows: 5 (5) women and 4 (4) men, and for the Board: 5 (5) women and 3 (4) men.

Vasakronan endeavours to be a company where the diversity of society is reflected in the composition of its personnel. All employees and job applicants will be treated equally, and no discrimination will be accepted. Further information related to staff composition can be found on pages 138–140.

Sustainability Report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Vasakronan has chosen to prepare its statutory Sustainability Report separately from its Annual Report. The scope of the Sustainability Report is available on page 96 of the 2024 Sustainability Report. There are two exceptions, the description of the company's business model on pages 13–14 and the information on risk management on pages 31–34.

Climate risks

Since 2017, Vasakronan has described its climate work based on the Task Force on Climate-related Financial Disclosures' (TCFD) guidelines. This year's description is on pages 114–117 and the aim is primarily to provide investors with information about the risks and opportunities that a transition to a society with lower carbon emissions entails. They are also intended to provide a description for stakeholders of how operations will be affected by climate changes and the potential financial impact that these are deemed to have on the company's financial performance and position. Based on the risks and analyses in our TCFD report, the assessment is that the climate risks identified for our operations will not have any significant impact on Vasakronan's financial position in the short term. For more information about governance, strategy and risk management in this area, see pages 112–113.

Appropriation of profit

The Board proposes that the profits available for disposal of SEK 29,240,566,230 shall be appropriated as follows: SEK 2,000,000,000 distributed as dividends and the remainder, 27,240,566,230 carried forward.

Future performance

2025 started with intensifying concerns in the operating environment, with high geopolitical and global economic uncertainty. Despite this, expectations are for Sweden's economy to start recovering during the year, albeit more slowly than the forecast prior to the end of the year. New tenant needs in terms of location, quality and design are expected to continue to dominate the lettings market, and the supply of premises, particularly in Stockholm, will remain high. Vasakronan continues on a stable footing in this market with a strong offering of outstanding properties in markets and locations in high demand, and with a range of products that meet customers' needs. The prerequisites are thus in place for healthy earnings once again in 2025.



Segment overview

Total Vasakronan

January–December	2024	2023
Rental revenue, SEK m	9,447	9,157
Operating surplus, SEK m	7,055	6,862
Surplus ratio, %	75	75
On balance-sheet date	31 Dec 2024	31 Dec 2023
Market value of properties, SEK m	178,183	174,569
Occupancy rate, %	89	91
Number of properties	166	166
Area, thousand sq. m.	2,397	2,393
Environmental certification in the investment portfolio based on market value, %	92	93

Contracted rent by geographic market

Pertains to share of contracted rent.



Stockholm	66%
Gothenburg	17%
Malmö	9%
Uppsala	8%

Pertains to share of market value.



Stockholm	69%
Gothenburg	17%
Malmö	7%
Uppsala	7%

Contracted rent by property type

Pertains to share of contracted rent.



Offices	77%
Retail	16%
Other	7%

Stockholm

2024	2023
6,210	5,973
4,685	4,522
75	76
31 Dec 2024	31 Dec 2023
122,993	120,592
88	90
76	76
1,407	1,403
89	90



66%



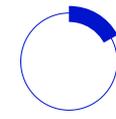
69%



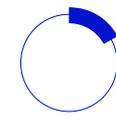
Offices	83%
Retail	11%
Other	6%

Gothenburg

2024	2023
1,666	1,654
1,259	1,243
76	75
31 Dec 2024	31 Dec 2023
30,510	29,449
93	93
34	34
447	447
100	97



17%



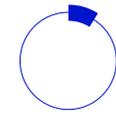
17%



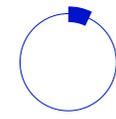
Offices	62%
Retail	29%
Other	9%

Malmö

2024	2023
865	841
611	600
71	71
31 Dec 2024	31 Dec 2023
13,214	13,113
91	91
31	31
299	299
100	100



9%



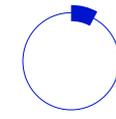
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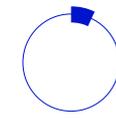
Offices	63%
Retail	26%
Other	11%

Uppsala

2024	2023
706	689
500	497
71	72
31 Dec 2024	31 Dec 2023
11,466	11,415
89	94
25	25
244	244
100	98



8%



7%



Offices	71%
Retail	17%
Other	12%



Quarterly overview

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
INCOME STATEMENTS, SEK m				
Rental revenue	2,399	2,344	2,366	2,338
Operating and property management costs	-358	-319	-363	-336
Maintenance costs	-48	-32	-41	-42
Property tax	-209	-215	-220	-209
Operating surplus	1,784	1,778	1,742	1,751
Central administration	-27	-28	-38	-19
Result from participations in joint ventures	39	-13	-15	-12
Net interest	-463	-468	-486	-468
Interest expense lease liability; ground rents and land leases	-55	-50	-50	-53
Profit before value changes and tax	1,278	1,219	1,153	1,199
<i>Of which, income from property management</i>	<i>1,238</i>	<i>1,231</i>	<i>1,176</i>	<i>1,200</i>
Change in value of investment properties	-141	788	255	-458
Depreciation of right-of-use assets	-2	-2	-1	-2
Change in value of financial instruments	390	-479	-529	200
Divested/impaired goodwill	0	0	0	0
Profit/loss before tax	1,525	1,526	878	939
Tax	-349	-307	-194	-195
Profit/loss for the period	1,176	1,219	684	744
<i>Of which, attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total profit/loss attributable to the Parent Company shareholders	1,176	1,219	684	744

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
BALANCE SHEETS, SEK m				
Investment properties	178,130	177,625	176,369	175,455
Equity	82,701	81,550	80,331	79,646
Interest-bearing liabilities	74,767	74,476	75,641	76,797
Total assets	198,916	196,557	196,706	197,372
KEY METRICS				
Property-related information				
Closing area, thousand sq. m.	2,397	2,397	2,397	2,397
Closing number of properties	166	166	166	167
Closing market value of property, SEK m	178,130	177,625	176,369	175,455
Net investments, SEK m	698	652	651	1,344
Closing economic occupancy rate, %	89.1	89.3	90.0	90.1
Surplus ratio, %	75	75	74	75
Financial metrics				
Closing average interest rate, %	2.7	2.7	2.8	2.8
Average fixed-interest tenor, years	4.2	4.2	4.2	3.8
Interest coverage ratio for the period, multiple	3.7	3.6	3.4	3.6
Closing loan-to-value ratio, %	40	40	42	42
Closing equity/assets ratio, %	42	41	41	40
Other metrics				
Closing number of employees	311	303	303	306

Five-year overview

Some of the financial key metrics that Vasakronan has chosen to present are not defined according to IFRS Accounting Standards. These are sector-specific or other key metrics that provide valuable additional information to investors and other stakeholders.

	2024	2023	2022	2021	2020
INCOME STATEMENTS, SEK m					
Rental revenue	9,447	9,157	8,167	7,425	7,006
Operating and property management costs	-1,376	-1,338	-1,243	-1,124	-1,049
Maintenance costs	-163	-137	-117	-100	-116
Property tax	-853	-820	-839	-668	-652
Operating surplus	7,055	6,862	5,968	5,533	5,189
Central administration	-112	-111	-116	-124	-118
Result from participations in joint ventures	-1	-211	-151	193	-219
Net interest	-1,885	-1,730	-1,208	-1,051	-1,117
Interest expense, lease liability	-208	-165	-160	-160	-158
Profit before value changes and tax	4,849	4,645	4,333	4,391	3,577
<i>Of which, income from property management</i>	<i>4,845</i>	<i>4,852</i>	<i>4,481</i>	<i>4,193</i>	<i>3,793</i>
Change in value of investment properties	444	-16,550	4,917	15,255	1,083
Depreciation of right-of-use assets	-7	-7	-7	-7	-7
Change in value of financial instruments	-418	-1,720	1,291	938	167
Divested/impaired goodwill	0	0	-2	-5	0
Profit/loss before tax	4,868	-13,632	10,532	20,572	4,820
Tax	-1,045	2,774	-2,067	-4,213	-1,106
Profit/loss for the year	3,823	-10,858	8,465	16,359	3,714
<i>Of which, attributable to non-controlling interests</i>	<i>0</i>	<i>-3</i>	<i>-3</i>	<i>-6</i>	<i>-4</i>
Total profit/loss attributable to the Parent Company shareholders	3,823	-10,855	8,468	16,365	3,718
BALANCE SHEETS, SEK m					
Investment properties	178,183	174,569	188,317	181,575	162,420
Equity	82,701	78,902	89,767	85,290	70,869
Interest-bearing liabilities	74,767	76,259	77,425	73,838	69,317
Total assets	198,916	194,820	208,585	196,194	176,226

	2024	2023	2022	2021	2020
KEY METRICS					
Property-related information					
Closing area, thousand sq. m.	2,397	2,393	2,398	2,348	2,339
Closing number of properties	166	166	166	168	171
Closing number of apartments	1,191	1,169	1,169	1,169	1,169
Closing market value of property, SEK m	178,183	174,569	188,317	181,575	162,420
Closing market value, SEK/sq. m	74,336	72,940	78,531	77,332	69,439
Net investments, SEK m	3,194	2,802	1,823	3,904	5,266
Property acquisitions, SEK m	779	0	0	214	181
Property divestments, SEK m	0	0	-543	-447	-228
Investments in existing projects, SEK m	2,415	2,802	2,366	4,137	4,920
Closing rental value, SEK m	11,192	10,532	9,612	8,592	8,187
Closing economic occupancy rate, %	89.1	90.9	91.2	91.4	91.9
Surplus ratio, %	75	75	73	75	74
Environmental certification, of investment portfolio, share of market value, %	92	93	93	94	92
Specific energy consumption on closing date, kWh/sq. m.	70	73	75	83	83
Yield, total holdings, %	3.9	3.8	3.2	3.2	3.2
Value change in the total portfolio, % ¹	0.3	-8.7	2.7	9.4	0.8
Total yield, total holdings, %	4.3	-5.2	6.0	12.8	4.0
Financial metrics					
Closing average interest rate, %	2.6	2.7	2.1	1.3	1.6
Average fixed-interest tenor, years	4.1	4.1	4.0	4.6	5.0
Interest coverage ratio, multiple	3.6	3.8	4.8	5.2	4.4
Closing loan-to-value ratio, %	40	42	40	39	41
Closing equity/assets ratio, %	42	40	43	43	40
Closing EPRA NRV, SEK m	107,198	102,742	113,542	110,515	94,656
Closing EPRA NTA, SEK m	99,117	94,819	104,406	102,179	87,735
Closing EPRA NDV, SEK m	82,456	80,446	93,121	82,944	69,450
Return on equity, %	2.6	-13.0	15.2	22.9	5.4

¹ Outcome in accordance with MSCI Swedish Property Index.

Five-year overview, continued

	2024	2023	2022	2021	2020
Cash flow metrics					
Cash flow from operating activities before changes in working capital, SEK m	4,453	4,589	4,272	3,572	3,547
Cash flow from operating activities, SEK m	4,795	4,534	4,436	3,947	3,818
Cash flow from investing activities, SEK m	-3,297	-2,848	-1,792	-3,858	-5,269
Cash flow from financing activities, SEK m	-845	-1,445	-3,181	874	494
Cash flow for the year, SEK m	653	241	-537	963	-957
Other metrics					
Average number of employees	304	297	288	294	302
Closing number of employees	311	300	294	290	293
Basis for key metrics					
1. EPRA NRV, SEK m					
Equity	82,701	78,902	89,767	85,290	70,869
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,903	-1,908
Add back derivatives	578	648	-2,536	855	3,426
Add back recognised deferred tax	25,820	25,093	28,212	26,273	22,269
	107,198	102,742	113,542	110,515	94,656
2. EPRA NTA, SEK m					
Equity	82,701	78,902	89,767	85,290	70,869
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,903	-1,908
Add back other intangible assets	-100	-100	-117	-141	-136
Add back derivatives	578	648	-2,536	855	3,426
Add back recognised deferred tax	25,820	25,093	28,212	26,273	22,269
Deferred tax at fair value ¹	-7,981	-7,823	-9,019	-8,195	-6,785
	99,117	94,819	104,406	102,179	87,735
3. EPRA NDV, SEK m					
Equity	82,701	78,902	89,767	85,290	70,869
Add back goodwill attributable to deferred tax	-1,901	-1,901	-1,901	-1,903	-1,908
Adjustment of interest-bearing liabilities to fair value	1,656	3,445	5,255	-443	489
	82,456	80,446	93,121	82,944	69,450

	2024	2023	2022	2021	2020
4. EBITDA, SEK m					
Operating surplus	7,055	6,862	5,968	5,533	5,189
Central administration	-112	-111	-116	-124	-118
Transactions with associates and joint ventures	0	-10	107	183	34
Ground rents and land leases	-215	-172	-167	-167	-165
	6,728	6,569	5,792	5,425	4,940
5. EBITDA margin, %					
Rental revenue	9,447	9,157	8,167	7,425	7,006
EBITDA	6,728	6,569	5,792	5,425	4,940
	71	72	71	73	71
6. Interest coverage ratio, multiple					
EBITDA	6,728	6,569	5,792	5,425	4,940
Net interest	-1,885	-1,730	-1,208	-1,051	-1,117
	3.6	3.8	4.8	5.2	4.4
7. Net interest-bearing liabilities, SEK m					
Non-current interest-bearing liabilities	61,541	65,197	66,484	59,342	55,659
Current interest-bearing liabilities	13,226	11,062	10,941	14,499	13,658
Cash and cash equivalents	-3,878	-3,225	-2,984	-3,521	-2,558
	70,889	73,034	74,441	70,317	66,759
8. Loan-to-value ratio, %					
Net interest-bearing liabilities	70,889	73,034	74,441	70,317	66,759
Total assets excl. leaseholds and land leases	178,183	174,569	188,317	181,575	162,420
	40	42	40	39	41

1) Calculated on the basis of a 30% current tax rate applying at any time.

Risks and risk management

Vasakronan has been tasked with delivering a high and stable, long-term return to its owners. At the same time, consideration needs to be given to people, the environment and professionalism. To best reach these goals, several external and internal factors that affect our operations need to be taken into consideration and managed.

All business operations are associated with risks, which when managed correctly can give rise to opportunities. When managed incorrectly, risks can have considerable negative impacts in the form of lower revenue, higher costs or reduced credibility. Efforts to identify, analyse, manage and follow up risks are therefore a prioritised area at Vasakronan.

Ultimately, it is the Board’s responsibility to establish appropriate and effective systems for risk management and internal control. The Board has delegated day-to-day responsibility to the CEO and has established guidelines in terms of how to conduct these efforts. The CEO is supported by a steering committee for internal control that, in addition to the CEO, comprises the CFO, General Counsel and Group Controllers. The steering committee’s responsibilities include follow up and ongoing development of internal control. Vasakronan’s day-to-day risk efforts involve all employees and follow a structured process.



- Low impact or likelihood
- Moderate impact or likelihood
- High impact or likelihood
- Increased risk
- Unchanged risk
- Decreased risk

Business-related risks

Risk description	Risk management
<p>Business climate</p> <p>An economic downturn with increased unemployment, reduced growth, weakened profitability for companies and resulting difficulties in obtaining financing can lead to reduced demand for office and store premises, lower market rents, increased vacancies and increased financing costs.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>Vasakronan’s property portfolio of modern properties in central locations as well as a spread in the lease portfolio across a number of different industries and contract lengths limits the risk of any substantial negative impact from an economic downturn. The company’s strong owners and a credit facility of SEK 18 billion ensures the company’s continued operation even during an economic downturn.</p>
<p>Lettings – retail</p> <p>Digitalisation, the economy and new consumption patterns are affecting the lettings market for retail premises and resulting in downward pressure on rents and increased vacancies.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan’s retail locations are primarily in central locations with heavy foot traffic. The company believes demand will remain firm for these types of properties, even for other uses. Close and proactive dialogues are held with existing tenants and the lease portfolio consists of a large spread of tenants and lease terms.</p>
<p>Lettings – offices</p> <p>Technological development, the economy and new work patterns are affecting the lettings market for office premises and resulting in downward pressure on rents and increased vacancies.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan’s office premises are located in attractive areas in growth areas. The company offers office solutions that are in demand in the market and continuously broadens its offering. The lease portfolio consists of a large spread of tenants and lease terms.</p>

Financial risks and regulatory compliance

Risk description	Risk management
<p>Financing – access</p> <p>Property is a capital-intensive industry and it is important to secure access to borrowed capital. An increasingly turbulent operating environment and/or system problems as a result of company-specific problems in the financial sector could lead to new financing or refinancing becoming more expensive or impossible.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>Vasakronan has a stable ownership structure and a strong financial position. The company’s A3 rating from Moody’s provides wider access to sources of finance as well as financing with longer tenors. The company strives for an even maturity structure for its liabilities, with a low portion of short-term financing. Altogether, this reduces the risk in new financing and refinancing. Vasakronan also has a credit facility from its owners of SEK 18 billion.</p>
<p>Financing – interest rates</p> <p>Interest on borrowed capital is a large cost item for property companies. Rising interest rates negatively affect borrowing costs and financial key metrics. Moreover, they lead to higher yield requirements and a consequent decline in property values.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>Vasakronan strives for a long fixed-interest tenor, which reduces the effect of large, rapid changes in borrowing expenses. The financial policy sets guidelines for the company’s financial decisions and reduces risk in the debt portfolio. The company’s strong A3 rating from Moody’s creates possibilities for favourable financing.</p>
<p>Legislation</p> <p>Vasakronan is obligated to comply with many rules, regulations and laws, which are often broad in scope and complex. Non-compliance with regulations can lead to economic consequences, sanctions or damaged confidence.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>To ensure regulatory compliance, Vasakronan continuously strives to stay updated vis-à-vis current and new regulations, to assess the effects of changes and to take necessary internal measures. Employees are trained in relevant portions and compliance is continuously followed up.</p>



Operational risks

Risk description	Risk management	Risk description	Risk management
<p>Development projects</p> <p>Redevelopments, extensions and new construction projects entail risks across all phases, which increases with the project’s complexity. Risks in construction projects are primarily financial, technical or time-related, but can also impact the company’s reputation.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>There is a high level of expertise within the project organisation. Vasakronan has quality-assured internal processes for procurement and project development, including risk analysis, and structured evaluations are held throughout the length of the project. Risks are regulated through contractual agreements with partners.</p>	<p>Cybersecurity</p> <p>In pace with increasing property sector digitalisation, there is a growing vulnerability to data hacking, virus attacks and fraud.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>A high degree of security awareness among employees is ensured through regular training and internal communication. Vasakronan has chosen the highest level of back-up solutions, firewalls, access solutions, antivirus programmes and incident reporting systems. Penetration tests are regularly performed to test security and technical improvements are continuously being implemented to reduce vulnerability. Special attention has been given to the requirements on Vasakronan’s suppliers to manage cybersecurity.</p>
<p>Tenant needs</p> <p>Changed patterns of working and increased digitalisation set new requirements for premises and the offering. Companies who do not adapt their operations and offerings to new conditions risk losing customers, employees and market shares. In the long run this can lead to becoming unprofitable.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan aims to be at the forefront as regards the use of modern technical solutions, and of service and product offerings. Vasakronan strives to develop the right skills internally in combination with close partnerships with customers, suppliers and other companies.</p>	<p>Employees</p> <p>Employees with the right skills are essential if operations are to function and deliver the desired results. Technological developments impose new requirements. Retaining and developing existing employees as well as recruiting new staff is therefore critical.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan strives to be an attractive employer both for existing as well as for potential new employees. Vasakronan has development plans for employees and succession planning for key personnel. The corporate culture promotes curiosity, diversity, innovation and flexibility. There is a close collaboration with colleges and universities in order to reach newly qualified expertise.</p>

Sustainability risks

Risk description	Risk management	Risk description	Risk management
<p>Suppliers</p> <p>Violations of human rights, unethical behaviour or operations that are not conducted according to good business practice from any of our partners or anyone acting on behalf of Vasakronan can lead to reduced confidence in Vasakronan and therefore entail harm to financial performance and the brand.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>The company has a supplier code of conduct and a clear, proactive process for procurement that is governed by framework agreements and the procurement policy. Audits and sample tests are conducted regularly throughout the course of the project.</p>	<p>Sustainability</p> <p>Sustainability is a relatively young area. It lacks traditional concepts and definitions. Legal requirements are constantly changing or growing more stringent. There are thus high requirements on our internal and external communication as well as solid monitoring.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan has clearly defined sustainability targets. In 2018, the climate targets that Vasakronan had then established were analysed by the Science Based Targets initiative (SBTi), who stated that they easily met the requirements for reaching the Paris Agreement. In 2022, the company's new, more stringent targets were analysed with the same result, in other words that they were in line with reaching the 1.5°C target. Skills development for existing personnel is held continuously and internal building management systems are developed. Vasakronan's Sustainability Report is of a high quality and reviewed by the company's auditor.</p>
<p>Business operations tenants</p> <p>Tenants who violate human rights, engage in unethical behaviour or operations that are not conducted according to good business practice can lead to reduced confidence in Vasakronan and therefore entail harm to financial performance and the brand.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan has a large lease portfolio with many tenants. Its vast size makes it difficult to detect deficiencies in tenant behaviour. That is why structured checks of tenants are carried out during contract procurement and regularly during tenancy periods.</p>	<p>Climate changes</p> <p>Higher temperatures, extreme weather events and rising sea levels entail risks that properties and/or buildings will be damaged. In the long term, properties in areas that are close to the sea risk permanent flooding.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>The climate scenario analyses for the property portfolio are prepared every five years. External trends in research and the consequences of climate change are also monitored continuously. The existing property portfolio is constantly being monitored to identify risks and create action plans. Separate risk analyses are performed for new construction and acquisitions.</p>
<p>Safe and secure places</p> <p>Neighbourhoods that are perceived as unsafe due to crime, graffiti, planning or negative reputation are less attractive.</p>	<p>Likelihood ● Impact ● Trend ↗</p> <p>Vasakronan works continuously with street strategies, safety measures and bringing activity to spaces to create neighbourhoods where people want to spend their days as well as their evenings.</p>	<p>Accidents</p> <p>Serious accidents in/around our properties or at our construction projects that injure people or cause damage to property or the environment can result in operational disruptions, financial losses and damaged reputation.</p>	<p>Likelihood ● Impact ● Trend →</p> <p>For projects, there are competency requirements for project managers, training procedures for employees, and procedures for workplace safety and risk management. Maintenance planning for the property portfolio is performed continuously and the procedures for compliance with property owner liability are followed up.</p>



Corporate Governance

Corporate Governance Report
Internal Control
The Board of Directors and auditors
Group Management

Shown in the image:

Grev Tureplan, Stockholm

The Grev Tureplan property in Stockholm has undergone a major renovation and comprises a key component in the development of Stureplan. Restoration of the Carl Eldh's fountain was also part of the project. It was an important contribution to the cityscape at a previously anonymous location.

Clear structure provides control

Corporate governance comprises the foundation for how a company should be owned and controlled. Good corporate governance ensures that the business is run sustainably, responsibly and as efficiently as possible to be able to realise the company’s strategies and to create maximum value and returns for its stakeholders. Vasakronan’s corporate governance is based on external and internal regulatory frameworks, clearly formulated goals and strategies as well as sound values. To support the operations, appropriate controls and continuous follow-up are in place.

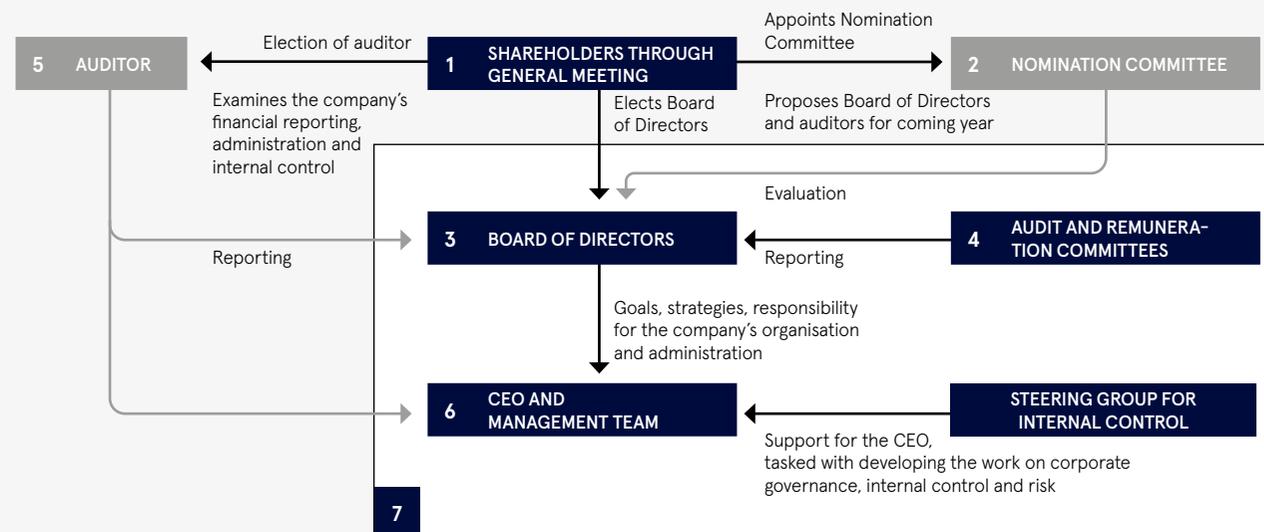
The Swedish Corporate Governance Code

Vasakronan AB (publ) is a public limited company. In view of the general interest in the company’s operations the Swedish Corporate Governance Code has been applied. The company has commercial paper listed on Nasdaq Stockholm, as well as bonds listed on the Oslo Stock Exchange and Euronext Dublin, and has chosen Ireland as its home Member State. Accordingly, the Central Bank of Ireland is responsible for supervision pursuant to the Transparency Directive.

Deviations from the Code

As a consequence of its small group of owners, Vasakronan deviates from the Code in the following ways: notices of general meetings and minutes from general meetings are not published on the company’s website. None of the members of the Nomination Committee are independent in relation to the owners. Neither the Nomination Committee members nor the Nomination Committee instruction nor the Nomination Committee’s proposals for Board members are presented on the website. The information is made available to the Board, which includes representatives of all shareholders, via a separate web platform.

Governance structure



Selected important external regulations:

- The Swedish Companies Act.
- Accounting policies, legislation and recommendations.
- GRI Standards.
- Nasdaq Stockholm Rule Book for Issuers.
- The Issuer Rules for Oslo Børs.
- Euronext Dublin’s Rule Book for Issuers.
- The Prospectus Directive under Irish law.

- The EU Market Abuse Regulation (MAR).
- The Swedish Corporate Governance Code.
- UN Global Compact.
- Planning and Building Act (PBL) and the National Board of Housing, Building and Planning’s new building regulations (BBR requirements).
- UN Guiding Principles on Business and Human Rights.

Selected important internal regulations:

- The Articles of Association.
- The Rules of Procedure for the Board of Directors and committees, and the CEO’s Instruction.
- Internal guidelines and policies such as a financial policy, decision-making and delegation processes, an anti-corruption policy, an environmental policy and a Code of Conduct for employees and suppliers.
- Green Finance Framework.

1. SHAREHOLDERS THROUGH GENERAL MEETING

Vasakronan is owned in equal shares by the First, Second, Third and Fourth Swedish national pension funds. Shareholders exercise their influence through participation in the annual general meetings (AGMs), which are the highest decision-making body. Under the Articles of Association, the AGM of shareholders must be held within six months of the end of the financial year. The Companies Act and the Articles of Association regulate what is to be resolved at the AGM. Extraordinary general meetings are held if any of the owners so request, or if the Board of Directors considers there is reason to do so.

The tasks of the AGM include:

- Adopting the income statements and balance sheets for the Parent Company and the Group.
- Discharging the Board members and CEO from liability.
- Resolving on the proposed distribution of profit.
- Resolving on fees for the members of the Board and the committees, as well as the auditors.
- Electing Board members, members of the Audit and Remuneration committees, and auditors.
- Establishing principles for remuneration and other employment terms and conditions for senior executives.

The most recent AGM was held on 26 April 2024. All shares and votes were represented and the auditors were present.

2. NOMINATION COMMITTEE

Vasakronan's Nomination Committee comprises representatives of the respective owners and is tasked with presenting proposals ahead of the AGM regarding:

- The number of Board members.
- The election of Board members and Chairman of the Board.
- Election of the Chairman for the Meeting.
- The fees for the Board of Directors and members of the Board Committees.
- The auditors and auditors' fees.
- The instruction for the Nomination Committee.

Ahead of its tasks, the Nomination Committee studies the internal evaluation of the work of the Board, the Chairman's account of the work of the Board and the company's strategy, and interviews individual Board members as part of its work. In the Committee's work on producing proposals for Board members, an equal gender distribution must be taken into account, and that the Board in general should be characterised by diversity based on competence, experience and background. The goal of the Committee is to propose a composition of Board members that complement each other in order to thereby create the best value for Vasakronan.

The Nomination Committee consists of representatives from the owners. The Nomination Committee held four minuted meetings in 2024. No fees were paid to the Nomination Committee.

3. BOARD OF DIRECTORS

Composition of the Board

The Articles of Association stipulate that the Board is to comprise at least three and at most ten members, along with at most five employee representatives. The owners can, but do not need to be, represented on the Board. In addition to the owner representatives, the ambition of the owners is that the Board of Directors consist of members who are independent in relation to the company and the owners. The independent members will supplement the Board with specific industry competence. The CEO is not a member of the Board, but is present at all Board meetings.

In October, Hannes Hasselrot resigned from the Board, having accepted employment in an operational position with a listed property company.

Tasks and responsibilities of the Board

The overall task of the Board is to be responsible for organisation and administration of operations, financial reporting and sustainability reporting. It also decides on the company's strategy, establishes overarching goals, including sustainability goals for the company, and is responsible for establishing efficient and appropriate systems for governance, internal control and risk management. The work of the Board is regulated through rules of procedure that are established at the statutory Board meeting every year. These rules include instructions on the Board's areas of responsibility and limitations in relation to the committees and the CEO.

The Chairman of the Board monitors the Board's performance of its tasks. The Chairman also monitors operations in dialogue with the CEO and is responsible for ensuring the



Governance structure

Standing items on the Board’s agenda comprise the report from the CEO, including market and business conditions, ongoing projects and transactions, market valuations, financing, ongoing disputes and reporting from the audit and remuneration committees. In addition to these items, the following items were addressed at the past year’s Board meetings.

			Scheduled Board meeting Decision on adoption of the Annual Report and remuneration report.	Extraordinary Board Meeting Decision on approval of the prospectus for the 2024 EMTN programme.	Scheduled Board meeting Fokus Stockholm, final report Hötorgshus 2.	Scheduled Board meeting Decision on Q2 interim report.		Scheduled Board meeting Review of the results from risk efforts, status of implementation of CSRD.		Scheduled Board Meeting Budget and business plan, review of financial policy.	
January	February	March	April	May	June	July	August	September	October	November	December
Scheduled Board Meeting Decisions on year-end report, proposed appropriation of profits, report from the Compliance Officer, decision on the strategic plan including goals for 2024 and decision on guidelines for corporate governance and sustainability.			Annual General Meeting Ratification of income statement and balance sheet, decisions on appropriation of profit and discharge of Board and CEO from liability, establishment of remuneration for Board and auditor, election of Board and auditor.				Statutory Board Meeting Decisions on authorised signatories, establishment of Rules of Procedure for the Board of Directors and instructions for the CEO and rules of procedure for the Audit and Remuneration Committees, determination of guidelines and policies.			Scheduled Board meeting Decision on Q3 interim report, evaluation of Board work, final report on Grev Tureplan and Kronhusgatan.	
				Scheduled Board Meeting Decision on Q1 interim report, the results of the MSCI Property Index and results of the customer survey.							

Composition of the Board

	Elected	Indep. of company	Indep. of major owners	Board and Committee fees, KSEK	ATTENDANCE		
					Board meetings	Audit Committee	Remuneration Committee
Ann-Sofi Danielsson	2017	Yes	Yes	494	9/10	5/5	
Niklas Ekvall	2016	No	No	No remuneration	10/10		5/5
Ulrika Francke	2018	Yes	Yes	894	10/10	5/5	5/5
Eva Halvarsson	2006	No	No	No remuneration	10/10	5/5	
Staffan Hansén	2023	No	No	No remuneration	10/10		
Hannes Hasselrot ¹	2022	Yes	Yes	315	8/8		
Kristin Magnusson Bernard	2021	No	No	No remuneration	10/10		
Magnus Meyer	2019	Yes	Yes	315	10/10		
Kia Orback Pettersson	2019	Yes	Yes	315	10/10		

1) Stepped down October 2024.

other members receive the information necessary to maintain a high level of quality in discussions and decisions. The Chairman is also responsible for evaluating the work of both the Board and the CEO.

Work of the Board of Directors in 2024

The work of the Board of Directors follows an annual cycle of scheduled meetings on fixed dates, adjusted for such matters as the Board needing to adopt the financial statements.

The CEO, CFO and General Counsel (in the capacity of the secretary of the Board) attended the scheduled meetings. Other persons from the organisation such as the heads of units, Chief Sustainability Officer, Group Treasurer and Chief Human Resources Officer have participated as needed, presenting reports on particular cases. Extraordinary Board meetings are held when needed.

The scheduled Board meetings follow a fixed agenda on which the CEO's information on general operations are a standing point. In cases where committee meetings have been held, the chairpersons of the respective committees report on their work. Vasakronan's Compliance Officer (the company's General Counsel) reports to the Board on cases that have come in to the company's whistle-blower function. Any potential conflict of interest in relation to any of the issues to be discussed at the meeting is addressed as needed.

Issues of strategy, risk management and sustainability are always high on the Board's agenda. Over the past year, the primary focus has been on questions pertaining to the capital markets and the rental and property markets.

In total, the Board held ten scheduled meetings in 2024, one of which was statutory. In addition to the Board meetings, the Board also conducted one strategy conference together with part of the Management Team, refer to Point 6 for more information.

Evaluation of the Board of Directors

According to the Rules of Procedure, the Board of Directors must conduct an annual evaluation of its work. An evaluation was conducted in 2024 through online questionnaires for each Board member, managed by the Chairman. The results were then followed up by the Board. The Chairman of the Board also has individual conversations with each Board member to discuss the work of the Board. The purpose of the evaluation is to ensure that the Board is focused on the correct area, has the correct competence and that it is correctly composed. The results of the evaluation are also used as the basis for the Nomination Committee's work with bringing forward new candidates for the Board of Directors and as a basis for developing the Board's work.

Remuneration to the Board

The AGM passes resolutions on remuneration to the Board. Board fees are not paid to members who represent any of the owners. For the period until and including the 2025 General Meeting, the AGM resolved that the Chairman will receive SEK 800,000 and the other independent members SEK 320,000 in fees. For the Audit Committee, it was resolved that a fee to its Chairman of SEK 182,000 and to independent members of SEK 67,000 would be paid, and a fee of SEK 40,000 to the Chairman of the Remuneration Committee.

4. AUDIT AND REMUNERATION COMMITTEES

In order to enhance the efficiency of its work, the Board has established an Audit Committee and a Remuneration Committee. The primary task of these committees is to prepare the decisions of the Board in these two areas.

Audit Committee

The Board of Directors has appointed an Audit Committee consisting of three Board members. The Committee's areas of responsibility are regulated in the rules of procedure established by the Board and include:

- Preparing the work of the Board on quality assurance of the financial reporting and sustainability reporting. This includes, among other things, monitoring external reporting and providing recommendations and suggestions to ensure the reliability of reporting as well as ensuring and reviewing the function and effectiveness of the company's reporting procedures. The work also includes addressing significant accounting and assessment matters both in financial reporting and in sustainability reporting.
- Monitoring the work of company management on internal control, tax management risks, and corporate and sustainability governance matters.
- Evaluating the audit work and preparing the election of an auditor.
- Issuing guidelines concerning the advance approval of non-audit related services performed by the elected external auditor.

The Audit Committee receives continual information about the orientation, scope and results of the audit. This take place through the Committee studying the auditor's written reporting and the auditor being present at certain Committee meetings.

For 2024, the Audit Committee consisted of Ann-Sofi Danielsson, who was also the Chairman, Eva Halvarsson and Ulrika Francke. All members have the competence in accounting required under the Companies Act, as well as experience in sustainability reporting.

The Committee held five meetings during the year. The company's auditors attended all of these, two of which pertained to the report on the audit. Moreover, the Committee discussed, inter alia, the company's financial statements, sustainability reporting and the work of the Management Team on risk and internal control. Additionally, at each of its meetings, the Audit Committee monitors developments in sustainability regulations that will enter force and the company's alignment with them.

The CEO, the CFO and the Chief Group and Business Controller (the secretary of the Committee) participated in the meetings. Other individuals from operations or external parties also participate in committee meetings as needed.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of two Board members. The Committee's areas of responsibility are regulated in a rules of procedure established by the Board and consists primarily of:

- Preparing the work of the Board of Directors on remuneration for senior executives and in the profit-sharing programme for other employees.
- Monitoring and evaluating compliance with the "Guidelines for Terms of Employment for Senior Executives in state-owned Companies" that Vasakronan is to comply with as regards remuneration and other terms of employment for company management (refer to Point 6 for more information).

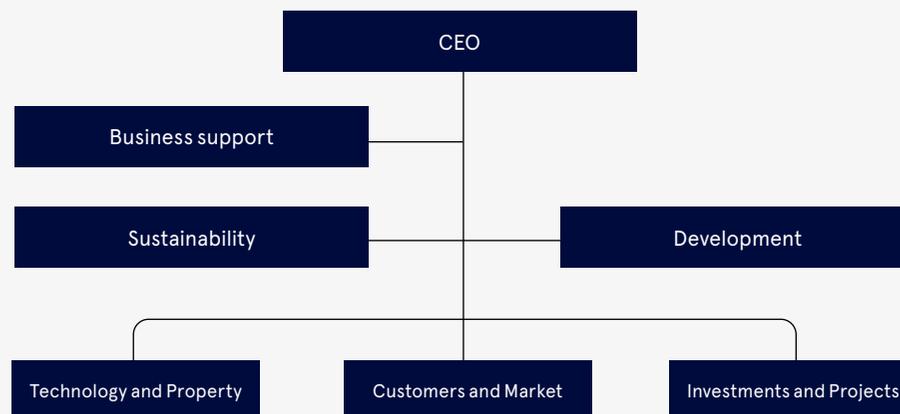
In 2024, the Remuneration Committee consisted of Ulrika Francke as Chairman and Niklas Ekvall. During the year, the Committee held five meetings, of which two were per capsulam, at which issues of remuneration for senior executives, pensions and principles for profit-sharing for other employees were primarily discussed. The CEO and the Chief Human Resources Officer, who is the secretary of the Committee, participated in all the meetings. The company's auditors submitted their report from the review of remuneration for senior executives.

5. EXTERNAL AUDIT

In accordance with the Articles of Association, the general meeting must appoint at least one and at most two authorised public accountants with an equal number of deputies. If an auditing company is appointed as auditor, deputies will not be appointed. The auditor is elected for one year at a time. The Board of Directors has decided that the selection of an auditor will be preceded at least once every four years by a procurement to be prepared by the Audit Committee.

In addition to issuing the Auditor's report, the selected auditor examines the annual accounts, the consolidated financial statements and accounting records, the Board's and the CEO's administration of the company and the annual accounts of the subsidiaries. The auditor also conducts limited assurance engagements of the Sustainability Report and the Impact Report. The audit and the limited assurance engagements are conducted in accordance with the Companies Act, international auditing standards and generally accepted auditing principles in Sweden.

Organisation



At the 2024 AGM, KPMG AB was elected as the new auditor for the coming year, with Johanna Hagström Jerkeryd as Auditor in Charge. More information about the auditors can be found on Page 46. Information about the auditors' fees can be found in Note 2.3 on page 60.

6. CEO AND MANAGEMENT TEAM

The CEO is appointed by the Board of Directors and is responsible for operating activities in Vasakronan, in accordance with the Board's instructions established each year. The CEO is responsible for keeping the Board continually updated on operations and ensures that the Board is provided with the necessary basis for decisions in order to take well-founded decisions.

The CEO has formed a Management Team that, in addition to the CEO at the end of 2024, consisted of eight directly subordinate managers; refer to the presentation on pages 47–48. The Management Team meets regularly in order to handle Group-wide and strategic issues. At four of them in 2024, the interim reports and operational monitoring were discussed, and two were longer strategy meetings. Two longer strategy meetings were also held. One strategy meeting was held in the spring, and focused on the trends and operating environment factors that impact the company. The other strategy meeting was held in the autumn, and the strategic portion of the business plan was prepared with focus areas and key issues for operations.

The principles of remuneration for the CEO and the Management Team are decided by the AGM. Salaries and other

benefits for the Management Team, including the CEO, consist only of fixed salaries with no variable remuneration. Vasakronan applies the Government's "Guidelines for Terms of Employment for Senior Executives in state-owned Companies" as regards remuneration and other terms of employment for company management. The company can, however, deviate from the guidelines if there is reason to do so. Vasakronan deviates from the Government's guidelines with regard to remuneration for the Management Team, exclusive of remuneration for the CEO, which is not reported at the individual level in the annual report.

Vasakronan is organised as three units: Customers and Market, Technology and Properties, and Investments and Projects. As support for the organisation, there are central units for business support, which include accounting and finance,

communications, legal and HR. One development unit is responsible for the company's central development initiatives.

A Chief Sustainability Officer has been appointed to run and develop the company's work with sustainability. The CEO and Management Team annually approve the materiality assessment and monitor compliance with all sustainability policies as well the fulfilment of sustainability targets.

7. GOVERNANCE AND CONTROL

The Board of Directors is responsible for the company having satisfactory and relevant risk management and internal control. The purpose is to ensure that operations are pursued efficiently and sustainably, that external reporting maintains a good level of quality, and that applicable laws and regulations are observed.

The Board has established guidelines for sustainability and corporate governance which, together with the financial policy, guide the work of management. The guidelines state that the CEO must ensure that the company has a vision with an ethical starting point and a corporate culture that supports it, and that the CEO must organise the company in a way that promotes the company achieving its goals in a sustainable and legal manner. Sustainability must be integrated into all parts of the company's operations and factored into all investment decisions.

Planning, governance and monitoring of operations follows the organisational structure, with a clear delegation of responsibilities and authorisations. The business planning conducted every year creates clear, well-supported plans for how operations are to be pursued in all sections of the company.

Vasakronan's business planning process starts with the Board's strategy days after the summer and concludes with

the Board of Directors deciding on the strategy plan at its December meeting. In between, business plans are developed both for underlying units and for the company as a whole. The plans formulate both short- and long-term financial, environmental and social targets. The business plan is thereafter monitored continually during the subsequent year.

A risk inventory and risk assessment are conducted every year in conjunction with business planning. The material risks identified are managed in separate action plans. The work on risk management is described in more detail on pages 31–34. A framework of guidelines, policies and instructions established by the Board of Directors and the CEO govern the organisation and its employees for the purpose of ensuring long-term value creation. The framework is to be followed by all employees, and monitoring is conducted continuously.

As support for the CEO, a special steering group has been established in order to develop the work on corporate governance, internal control and risk. In addition to the CEO, the group consists of the Chief Legal Officer (CLO), the CFO and the Chief Group and Business Controller. The work in the group is conducted in close collaboration with the Audit Committee, which is responsible for monitoring the quality of internal control. Since existing structures for evaluation and monitoring have so far been deemed sufficient to provide a basis for evaluation by the Board, no separate unit for internal auditing has been established. The decision is, however, taken up annually for re-examination.

No fines were levied against Vasakronan in 2024, neither related to breaches of environmental legislation nor other legislation.

The starting point for sustainability work

Vasakronan is a responsible actor in the development of society and will contribute to sustainable development. Vasakronan views the precautionary principle and society's requirements in the form of laws and regulations as minimum requirements. Well-functioning work with sustainability requires that Vasakronan:

- Acts in accordance with the UN Global Compact.
- Contributes to the UN SDGs and the Paris Agreement.
- Adherence to Vasakronan's Code of Conduct for employees and supplier code of conduct. All Vasakronan's employees and business partners must understand and comply with the respective codes of conduct.
- Continuously raise skills in sustainability through training and communication on sustainability matters.
- Regularly monitor, report and improve the company's work with sustainability.



Internal control of financial reporting

This report was prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code. The report is limited to describing how internal control regarding financial reporting is organised. Vasakronan's goals for internal control regarding financial reporting are to make it relevant and efficient, that is results in reliable reports, and that it ensures that relevant laws and regulations are observed. The report contains no statements on how well internal control functioned during the past financial year, and it has not been audited by the company's auditors.

Control environment

The basis for internal control in Vasakronan consists of a control environment with a clear organisation, clear decision-making paths and a clear allocation of responsibilities. Vasakronan's Board of Directors has overall responsibility for internal control of financial reporting. The Board annually ratifies a number of steering documents such as the Rules of Procedure for the Board of Directors, instructions for the CEO, and financial policy in order to establish and clarify the allocation of responsibilities and authorisations in the organisation. The Board has also appointed an Audit Committee with particular responsibility for preparing quality assurance by the Board of the financial reporting as well as monitoring the work of company management on internal control. The control environment also encompasses the culture and values that both the Board and the company management communicate and work from as conveyed by such documents as Vasakronan's Code of Conduct. It is adopted each year by the Board. A whistle-blower function has been established to which the compa-

ny's employees or other stakeholders can turn with suspicions of improper conduct or crime. A Compliance Officer (Vasakronan's General Counsel) is tasked with managing issues of improper conduct and deficient compliance with regulations in the company. Reporting to the Board of Directors takes place annually.

Based on the steering documents that concern accounting and financial reporting, the CEO is responsible for formulating internal processes and for establishing policies and instructions.

The CFO is responsible for ensuring that there are guidelines for financial reporting. They ensure that reporting is prepared in accordance with applicable accounting standards, and the legal and listing requirements in force.

Risk assessment

As part of business and operations planning, Vasakronan annually conducts an overall risk evaluation. Risks in all the company's key processes are then evaluated based on likelihood and impact. For more detailed information on the company's risk evaluation process, refer to page 31. In addition, risks are continually assessed based on the company's income statement and balance sheet, where every item is evaluated based on its existence, appraisal and completeness.

Risks linked to tax, legal issues or other non-current transactions are evaluated regularly for preventive purposes. Risks are built on management's best assessment of impact and likelihood. The risks in the financial reporting are routinely discussed with the company's auditors.



Control activities

Control activities are formulated based on the findings of risk assessments. At Vasakronan, there are controls built into all key processes through standardised system solutions, documented and well-established routines and a clear allocation of responsibilities in a centralised financial function. Control activities comprise a mix of preventive measures and monitoring functions, which can be both manual and automatic.

The financial reporting process is constantly reviewed. The finance function has a clear responsibility for adapting the process as needed to ensure quality in the reporting and that laws and external requirements are observed.

Information and communication

Employees' understanding of Vasakronan's risk situations is an important part of the work of internal control. Awareness of the risks in the financial reporting is created through discussion and dialogue with employees being a natural element both in annual business and operations planning and in routine work.

This communication is facilitated by a centralised finance function, with which employees are in close contact on a daily basis. Guidelines and instruction of essential importance for financial reporting are routinely updated and communicated to the employees concerned. All the routine descriptions and tools needed are available on Vasakronan's intranet together with Group-wide policies and instructions.

Monitoring of internal control

The Board of Directors of Vasakronan has overall responsibility for monitoring internal control. The Audit Committee has particular responsibility for preparing quality assurance by the Board of the financial reporting. Monitoring of the financial reporting takes place continually through the controls and analyses performed by the Board of Directors, the Audit Committee, management and the finance function. These controls and analyses also capture the need for measures or proposals for improvements. Monitoring also takes place through the audit performed by the company's external auditors. The observations from this audit are reported to the Board of Directors, the Audit Committee and company management as well as to the employees concerned.

The company's external auditors regularly report back on the results of their audit to the CFO and to the Audit Committee.

The Board of Directors and auditors



Ulrika Francke

Chairman since 2018
Member of the Audit Committee and
Chairman of the Remuneration
Committee since 2018

Born

1956

Education

University studies

Other important assignments

Board appointments with Circura, SIS (Swedish Standards Institute), Sven Tyréns Foundation, SGBC, VREF, Liquid Wind and KREAB.

Previous experience

President and CEO of Tyréns, CEO of Sveriges Bostadsrättscentrum AB (SBC), Director of Administration and City Commissioner City of Stockholm, President and CEO of Fastighets AB Brommastaden.

Independence

Independent in relation to the owners, the company and company management.



Kristin Magnusson Bernard

Board member since 2021

1979

Ph.D. in Macroeconomics

CEO of the First National Pension Fund. Board appointments with Swedish House of Finance, member of the European Central Bank's contact group for financial stability (FSCG).

Leading positions at the International Monetary Fund (IMF), the European Central Bank and Nordea.

Not independent in relation to the owners.



Ann-Sofi Danielsson

Board member since 2017
Member of the Audit Committee since 2017 and Chairman since 2019

1959

M.Sc. in Economics

Board appointments with Pandox, Building Automation, Infrakraft and Rusta.

CFO at Bonava, CFO and other executive positions at the NCC Group.

Independent in relation to the owners, the company and company management.



Niklas Ekvall

Board member since 2016
Member of the Remuneration
Committee since 2019

1963

Ph.D. Financial Economics and
M.Sc. in Engineering

CEO Fourth National Pension Fund. Board appointments with the Swedish House of Finance, the Hans Dalborg Stiftelse för Bank- och Finansforskning and the KVA Investment Committee.

CEO Nordea Investment Management, Vice President Third National Pension Fund, various management positions at Nordea, Carnegie and Handelsbanken.

Not independent in relation to the owners.

The Board of Directors and auditors, continued



Eva Halvarsson

Board member since 2006
Member of the Audit Committee since 2008

Born

1962

Education

M.Sc. in Economics

Other important assignments

CEO Second National Pension Fund. Board appointments with the Advisory Board of Gothenburg School of Business, Economics and Law, FinansKompetensCentrum, Stiftelsen Korsvägen and Misum.

Previous experience

Tax auditor and manager State governance.

Independence

Not independent in relation to the owners.



Staffan Hansén

Board member since 2023

1965

M.Sc. in Finance and Accounting

CEO Third National Pension Fund. Board appointment with Hemsö.

CEO of SPP Pension & Försäkring, CEO for Storebrand Asset Management.

Not independent in relation to the owners.



Magnus Meyer

Board member since 2019

1967

Licentiate of Engineering in Real Estate Economics and M.Sc. in Engineering

Board appointments with Svevia, HiQ, Fagerhult, Infranord, Coor, Kinnarps and Slättö Förvaltning.

Technical attaché in Los Angeles, various management positions at the Ljungberg group and GE Real Estate and Tengbom and WSP

Independent in relation to the owners, the company and company management.



Kia Orback Pettersson

Board member since 2019

1959

M.Sc. in Economics

Board appointments with ÅWL Arkitekter, ChefAkademin, Knowit, the Karl Adam Bonnier Stiftelse, RO-gruppen, Aqua Dental and Bond Health Group.

Marketing Director Dagens Nyheter, Deputy CEO Guldfynd and CEO Sturegallerian, as well as several years of experience from Board appointments within the property, retail, service and healthcare sectors.

Independent in relation to the owners, the company and company management.

AUDITORS

KPMG AB

Johanna

Hagström Jerkeryd

Auditor in charge
Born: 1984

Other important assignments:
Auditor at Catella, LSTH Svenska Handelsfastigheter, Telia Towers, VR Sverige and Bergs Timber.



Group Management



Johanna Skogestig

CEO and Acting Chief
Customer Officer

Born 1974

Employed 2015

Joined Management Team 2015¹

Education M.Sc. in Engineering

Previous experience AP Fastigheter, Sveafastigheter and Areim.

Other important assignments Board appointments with Hemsö, Sweden Green Building Council and AMP.



Hanna Brandström

Chief Human Resources Officer

Born 1980

Employed 2025

Joined Management Team 2025

Education B.Sc. in Business Administration

Previous experience General Motors Nordic, Opel/Chevrolet Sverige, SC Motors Sweden, Kungsleden and Castellum.

Other important assignments -



Anna Denell

Chief Sustainability Officer

Born 1972

Employed 1999

Joined Management Team 2022

Education M.Sc. in Engineering

Previous experience Locum, Haninge Bostäder and AP Fastigheter.

Other important assignments Board appointments with "Håll Nollan" (Zero Accidents in the Construction Industry), Mistra Carbon Exit, LFM30 and Fria Byggakademien.



Johnny Engman

Chief Financial Officer

Born 1977

Employed 2024

Joined Management Team 2024

Education M.Sc. in Finance and Accounting

Previous experience Byggfakta, Nordic Capital and Cloetta.

Other important assignments Board appointment with Disruptive Ventures.

1) Member of the Management Team since November 2019 in the capacity of CEO.



Group Management, continued



Sheila Florell

Chief Legal Officer

Born	1965
Employed	2005
Joined Management Team	2006
Education	Law degree and Estate Agent exam
Previous experience	If Skadeförsäkring and the Association of Swedish Real Estate Agents.
Other important assignments	Board appointment with the Real Estate Research Institute (IFF).



Sandra Jonsson

Chief Technology and Property Officer

Born	1980
Employed	2017
Joined Management Team	2022
Education	M.Sc. in Engineering
Previous experience	Schneider Electric.
Other important assignments	Board appointment with BIM Alliance.



Martin Kron

Chief Investment & Projects Officer

Born	1982
Employed	2024
Joined Management Team	2024
Education	M.Sc. in Engineering
Previous experience	Skanska.
Other important assignments	-



Nicklas Walldan

Chief Development Officer

Born	1971
Employed	2001
Joined Management Team	2008
Education	M.Sc. in Engineering
Previous experience	Tyréns.
Other important assignments	Board appointments with Svensk Byggtjänst, the Swedish Construction Clients (SCC) and Samhällsbyggnads-länken KTH.

Bo de Besche, previously Chief Customer Officer, left the Group Management Team in February 2025 when he took a new position at Vasakronan.

Cecilia Söderström, previously Chief Human Resources Officer, left the Management Team in March 2025 in connection with the end of her employment at Vasakronan.



Financial Statements

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- [Consolidated balance sheet](#)
- [Consolidated statement of changes in equity](#)
- [Consolidated cash-flow statement](#)
- [Parent Company financial statements](#)
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- [Notes](#)
- [Board of Directors' signatures](#)
- [Auditor's report](#)

Shown in the image:

Södra Förstadsgatan, Malmö

Södra Förstadsgatan, the street linking Triangeln and Södertull, provides a great example of how collaboration on Malmö's city centre has resulted in a lively and safe location with a good mix of stores and culture. Vasakronan owns 40% of the properties along the classic pedestrian precinct.

Consolidated statement of comprehensive income

Amounts in SEK million	2024	2023	Note
Rental revenue	9,447	9,157	2.1-2
Operating expenses	-922	-898	2.1, 2.3
Repairs and maintenance	-163	-137	2.1, 2.3
Property management costs	-454	-440	2.1, 2.3
Property tax	-853	-820	2.1, 2.3
Total property expenses	-2,392	-2,295	2.1, 2.3
Operating surplus	7,055	6,862	
Central administration	-112	-111	2.3
Result from participations in associates and joint ventures	-1	-211	7.2
Operating profit	6,942	6,540	
Interest income	184	154	2.5
Interest expense	-2,069	-1,884	2.5
Interest expense lease liability; ground rents and land leases	-208	-165	4.3
Profit before value changes and tax	4,849	4,645	
<i>- Of which, income from property management</i>	4,845	4,852	
Change in value of investment properties	444	-16,550	4.2
Depreciation of right-of-use assets	-7	-7	4.3
Change in value of financial instruments	-418	-1,720	6.5
Profit/loss before tax	4,868	-13,632	

Amounts in SEK million	2024	2023	Note
Current tax	-311	-341	3.1
Deferred tax	-734	3,115	3.1
Profit/loss for the year	3,823	-10,858	
Of which, attributable to non-controlling interests	0	-3	
Of which, attributable to the Parent Company shareholders	3,823	-10,855	
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Pensions, revaluation	-33	-14	2.4
Restriction for surplus in pension plan with asset cap	1	-11	2.4
Income tax on pensions	7	5	2.4
Other comprehensive income for the year, net of tax	-25	-20	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,798	-10,875	

Consolidated balance sheet

Amounts in SEK million	2024	2023	Note
ASSETS			
Non-current assets			
Intangible assets	2,001	2,001	4.1
Property, plant and equipment (PPE)			
Investment properties	178,183	174,569	4.2
Right-of-use assets, leaseholds and land leases	7,554	6,329	4.3
Equipment	160	140	4.4
Total property, plant and equipment (PPE)	185,897	181,038	
Financial assets			
Participations in associates and joint ventures	554	530	7.2
Receivables from joint ventures	155	0	7.3
Derivatives	2,474	3,321	6.4
Other non-current receivables	2,337	2,468	6.4
Total financial assets	5,520	6,319	
Total non-current assets	193,418	189,358	
Current assets			
Accounts receivable	94	58	5.1
Receivables from joint ventures	1	136	
Current tax assets	90	0	
Derivatives	95	54	6.4
Other current receivables, prepaid expenses and accrued income	1,340	1,989	5.2
Cash and cash equivalents	3,878	3,225	6.3
Total current assets	5,498	5,462	
TOTAL ASSETS	198,916	194,820	

Amounts in SEK million	2024	2023	Note
EQUITY AND LIABILITIES			
Equity			
Share capital	4,000	4,000	
Other contributed capital	4,227	4,227	
Retained earnings	74,474	70,675	
Non-controlling interests	0	0	
Total equity	82,701	78,902	
Non-current liabilities			
Interest-bearing liabilities	61,541	65,197	6.2
Lease liability, leaseholds and land leases	7,555	6,330	4.3
Deferred tax liability	25,820	25,093	3.2
Derivatives	3,089	3,964	6.4
Other non-current liabilities	132	65	6.4
Provision for pensions	9	10	2.4
Total non-current liabilities	98,146	100,659	
Current liabilities			
Interest-bearing liabilities	13,226	11,062	6.2
Accounts payable	85	70	
Liabilities joint ventures	0	23	
Current tax liabilities	304	113	
Derivatives	58	59	6.4
Other current liabilities, accrued expenses and deferred income	4,396	3,932	5.3
Total current liabilities	18,069	15,259	
TOTAL EQUITY AND LIABILITIES	198,916	194,820	



Consolidated statement of changes in equity

Amounts in SEK million	Share capital	Other contributed capital	Retained earnings	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity, opening balance on 1 Jan 2023	4,000	4,227	81,550	89,777	-9	89,767
Profit/loss for the year	-	-	-10,855	-10,855	-3	-10,858
Other comprehensive income	-	-	-20	-20	0	-20
<i>Comprehensive income for the year</i>	-	-	-10,875	-10,875	-3	-10,878
<i>Transactions with owners</i>						
Changes in the Group structure	-	-	0	0	12	12
Dividend	-	-	0	0	0	0
Equity, closing balance on 31 Dec 2023	4,000	4,227	70,675	78,902	0	78,902
Equity, opening balance on 1 Jan 2024	4,000	4,227	70,675	78,902	0	78,902
Profit for the year	-	-	3,823	3,823	0	3,823
Other comprehensive income	-	-	-25	-25	0	-25
<i>Comprehensive income for the year</i>	-	-	3,798	3,798	0	3,798
<i>Transactions with owners</i>						
Dividend	-	-	0	0	0	0
Equity, closing balance on 31 Dec 2024	4,000	4,227	74,474	82,701	0	82,701

Consolidated cash-flow statement

Amounts in SEK million	2024	2023	Note
Operating activities			
Operating surplus	7,055	6,862	
Central administration	-112	-111	
Add back amortisation and depreciation	58	50	
Adjustment for other non-cash items	-33	-17	6.7
	6,968	6,784	
Interest paid ¹	-2,358	-2,102	
Interest received	151	107	
Taxes paid	-308	-200	
	4,453	4,589	
Increase (-)/decrease (+) in operating receivables	159	-478	
Increase (+)/decrease (-) in operating liabilities	183	423	
Cash flow from operating activities	4,795	4,534	
Investing activities			
Investments in existing properties	-2,415	-2,802	4.2
Property acquisitions	-779	0	4.2
Property divestments	0	0	4.2
Other PPE, net	-78	-33	
Intangible assets	0	-3	4.1
Transactions with associates and joint ventures	-25	-10	
Cash flow from investing activities	-3,297	-2,848	
Cash flow after investing activities	1,498	1,686	

Amounts in SEK million	2024	2023	Note
Financing activities			
Dividend	0	0	9
Raised debt: interest-bearing liabilities	22,341	25,793	
Repayment of debt: interest-bearing liabilities	-24,322	-25,554	
Change in collateral	1,136	-1,676	
Redemption of financial instruments	0	-8	
Cash flow from financing activities	-845	-1,445	
Cash flow for the period	653	241	
Opening balance, cash and cash equivalents	3,225	2,984	
Cash flow for the period	653	241	
Closing balance, cash and cash equivalents	3,878	3,225	

1) Interest paid includes interest on lease liabilities for ground rents and land leases.

Parent Company financial statements

Income statement

Amounts in SEK million	2024	2023	Note
Net sales	796	781	8.1
Operating expenses	-977	-935	2.3-4
EBIT	-181	-154	
Financial items			
Profit from participations in subsidiaries	4,390	7,394	8.2
Interest income	2,376	1,851	2.5
Interest expense	-2,186	-2,021	2.5
Profit before value changes and tax	4,399	7,070	
Change in value of financial instruments	-418	-1,720	6.5
Profit before tax	3,981	5,350	
Tax	-111	119	3.1
Profit for the year	3,870	5,469	

Statement of comprehensive income

Profit for the year recognised in profit or loss	3,870	5,469
Total comprehensive income for the year	3,870	5,469

Balance sheet

Amounts in SEK million	2024	2023	Note
ASSETS			
Non-current assets			
Equipment	119	103	4.4
Shares and participations in subsidiaries	37,624	37,564	7.1
Receivables from subsidiaries	51,339	50,469	8.4
Receivables from joint ventures	155	0	7.3
Deferred tax assets	257	171	3.2
Derivatives	2,474	3,321	6.4
Other non-current receivables	2,318	2,449	6.4
Total non-current assets	94,286	94,077	
Current assets			
Accounts receivable	2	4	5.1
Receivables from subsidiaries	18,339	15,469	7.1
Receivables from joint ventures	1	136	7.2
Derivatives	95	54	6.4
Other current receivables, prepaid expenses and accrued income	1,175	1,405	5.2
Cash and cash equivalents	3,874	3,222	6.3
Total current assets	23,486	20,290	
TOTAL ASSETS	117,772	114,367	

Amounts in SEK million	2024	2023	Note
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	4,000	4,000	
	4,000	4,000	
<i>Unrestricted equity</i>			
Retained earnings	25,371	19,775	
Profit for the year	3,870	5,469	
	29,241	25,244	
Total equity	33,241	29,244	
Untaxed reserves	1,122	1,122	8.3
Non-current liabilities			
Interest-bearing liabilities	61,541	65,197	6.2
Liabilities to subsidiaries	712	712	8.4
Derivatives	3,089	3,964	6.4
Other non-current liabilities	121	55	6.4
Provision for pensions	5	6	
Total non-current liabilities	65,468	69,934	
Current liabilities			
Interest-bearing liabilities	13,226	11,062	6.2
Accounts payable	7	17	
Current tax liabilities	195	14	
Liabilities to subsidiaries	2,806	1,843	7.1
Derivatives	58	59	6.4
Other current liabilities, accrued expenses and deferred income	1,649	1,072	5.3
Total current liabilities	17,941	14,067	
TOTAL EQUITY AND LIABILITIES	117,772	114,367	

Change in equity

Amounts in SEK million	Share capital ¹	Retained earnings	Total equity
Equity, opening balance on 1 Jan 2023	4,000	19,775	23,775
Profit for the year	-	5,469	5,469
<i>Comprehensive income for the year</i>	-	5,469	5,469
Dividend	-	0	0
Equity, closing balance on 31 Dec 2023	4,000	25,244	29,244
Equity, opening balance on 1 Jan 2024	4,000	25,244	29,244
Profit for the year	-	3,870	3,870
<i>Comprehensive income for the year</i>	-	3,870	3,870
Dividend	-	0	0
Equity, closing balance on 31 Dec 2024	4,000	29,114	33,114

1) 40,000,000 shares with a quotient value of SEK 100 per share.

Cash-flow statement

Amounts in SEK million	2024	2023	Note
Operating activities			
EBIT	-181	-154	
Add back amortisation and depreciation	49	38	
Adjustment for other non-cash items	0	6	6.7
Cash flow from operating activities before interest and tax	-132	-110	
Interest paid	-2,183	-1,959	
Interest received	2,334	1,805	
Taxes paid	-200	-200	
Cash flow before changes in working capital	-181	-464	
Increase (-)/decrease (+) in operating receivables	-1,904	-4,968	
Increase (+)/decrease (-) in operating liabilities	851	603	
Cash flow from operating activities	-1,234	-4,829	
Investing activities			
Acquisitions of equipment	-65	-28	4.4
Dividends received from subsidiaries	2,796	6,549	
Cash flow from investing activities	2,731	6,521	
Cash flow after investing activities	1,497	1,692	

Amounts in SEK million	2024	2023	Note
Financing activities			
Dividends and Group contributions to Parent Company	0	0	9
Raised debt: interest-bearing liabilities	22,341	25,793	
Repayment of debt: interest-bearing liabilities	-24,322	-25,554	
Change in collateral	1,136	-1,676	
Redemption of financial instruments	0	-8	
Cash flow from financing activities	-845	-1,445	
Cash flow for the period	652	247	
Opening balance, cash and cash equivalents	3,222	2,975	
Cash flow for the period	652	247	
Closing balance, cash and cash equivalents	3,874	3,222	



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Notes, pertaining to the Group and Parent Company. All amounts are given in SEK million, if not otherwise stated.

Note 1 General information and accounting policies

1.1 General information

Vasakronan AB (publ), corporate registration number 556061-4603, is the Parent Company of the Vasakronan Group and is domiciled in Stockholm. The address of its registered office is Malmskillnadsgatan 36, Box 30074, SE-104 25 Stockholm, Sweden. Vasakronan AB is owned by Vasakronan Holding AB, corporate registration number 556650-4196, which is owned in turn in equal shares by the First, Second, Third and Fourth Swedish national pension funds.

The Vasakronan Group's operations comprise the ownership, management and development of properties with the aim of providing owners with a high and stable long-term return. The Parent Company Vasakronan AB (publ) has personnel employed to manage and administer the Group's properties. The Parent Company's assets mainly comprise shares and participations in the companies that own the properties.

The annual accounts and consolidated accounts were approved by the Board for publication on 25 March 2025 and will be submitted to the Annual General Meeting for adoption on 5 May 2025.

1.2 Accounting policies

This section provides an overview of the policies applied in the preparation of these financial statements. Refer to the respective note for information about specific items. All amounts are stated in SEK million, unless otherwise stated. Amounts pertain to the 1 January to 31 December period for income-statement items and 31 December for balance-sheet items.

Basis for preparation of the financial statements

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as determined on 31 December 2024 and as adopted by the EU, and in accordance with the IFRIC interpretive guidance and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups, and the Annual Accounts Act. These policies were consistently applied for all years presented, unless otherwise stated. In the Annual Report, items have been measured at cost except with regard to the remeasurement of investment properties and financial instruments, which are measured at fair value. The areas involving a higher degree of complexity, or where assumptions and estimates are significant, are disclosed in more detail in the respective note.

Consolidated accounts

The consolidated financial statements have been prepared applying a historical cost convention, except for the measurement of investment properties, and certain financial assets and liabilities, which are measured at fair value.

Group companies are entities over which Vasakronan exercises a controlling influence. Subsidiaries are companies owned directly by Vasakronan AB (publ). A "controlling influence" entails that the Parent Company is exposed to, or is entitled to, variable returns from its investment, and can also affect the returns from the subsidiary by means of its influence. Group companies are consolidated from the date on which controlling influence is transferred to the Group, and they are deconsolidated from the date that control ceases.

Initial recognition of Group companies in the consolidated financial statements follows the acquisition method. Any surplus comprising the difference between compensation paid and the fair value of the Group's share of identifiable acquired net assets is recognised as goodwill.

When a company is acquired, the acquisition meets the criteria for either an asset acquisition or a business combination. A transaction qualifies as an asset acquisition if it pertains to similar properties, with or without leases, but excluding an organisation and the administrative processes required for property management. Other acquisitions are business combinations. The management determines for each acquisition which criteria have been met.

Intra-Group transactions, balances, and any unrealised gains and losses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

Joint ventures

All joint arrangements are classified as joint ventures since the agreement terms or the entities' legal forms entitle the participants to the net assets of the related arrangement. Joint ventures are companies where, through partnership agreements with one or more parties, Vasakronan shares controlling influence with one or more parties.

Holdings in joint ventures are recognised using the equity method. This means that the consolidated carrying amount of the holding is adjusted with Vasakronan's share of profit for the year and any dividends received, and accordingly, the Group's participation in joint ventures is thus recognised in the consolidated income statement. When losses in a joint venture exceed the Group's share, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the joint venture.

Intra-Group gains and losses as a result of transactions with these companies are eliminated in relation to the Group's holding. Adjustments have been made where the accounting policies of joint ventures do not correspond with those of the Group.

Associates

Associates are all entities over which Vasakronan has significant influence but not control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Participations in associates are recognised according to the equity method in the consolidated accounts from the time when significant influence is obtained. The equity method entails that the value of the shares in the associate recognised for the Group corresponds to the Group's interest in the associate's equity plus Group-related goodwill as well as any other residual values of Group-related surplus or shortfall in value. The recognised value of the holding is adjusted with Vasakronan's share of profit for the year, which is adjusted via profit or loss, and any dividends received. The equity method is applied until the time that significant influence ceases.

Provisions

Provisions are reliable estimates of amounts that reflect formal or constructive obligations of the Group resulting from earlier events and where it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are classified as current liabilities if payment can be deferred for up to 12 months after the balance-sheet date. Thereafter, provisions are classified as non-current liabilities.

Critical judgements in applying the Group's accounting policies

The preparation of financial statements in accordance with generally accepted accounting principles requires that the management and Board make judgements and assumptions that affect the amounts recognised for assets, liabilities, income and expenses, as well as other information disclosed. These judgements are based on experience and assumptions that are considered reasonable in view of the prevailing circumstances. The most significant in preparing the company's financial statements are as follows:

- Fair value of investment properties, Note 4.2 on pages 68–71.
- Criteria for business combinations and asset acquisitions, Note 1.2 on page 57.
- Recoverable amount for goodwill, Note 4.1 on page 68.

New or amended accounting standards

IFRS 18 Presentation and Disclosure in Financial Statements, applicable from January 2027, will affect the presentation of the financial statements, in particular the statement of profit or loss, which will be split into three parts: operations, investing and funding. Vasakronan will analyse the full impact of IFRS 18 in good time prior to its introduction.

At present, other new and amended IFRS Accounting Standards and IFRIC interpretive guidance as endorsed by the EU are not assessed as having any material impact on Vasakronan's earnings or financial position.

Note 2 Revenue, income and expenses

2.1 Segment reporting

§ Accounting policies – segment reporting

Segmentation is based on how the management and the chief operating decision-maker (CODM) monitor and control operations. Vasakronan conducts operations in four regions: Stockholm, Gothenburg, Malmö and Uppsala, which correspond to the operating segments reported.

The management is responsible for allocating resources and assessing the performance of the operating segments. Vasakronan has determined that the CODM is the CEO of the Parent Company and the Group's management collectively as the Management Team.

The allocation of results by segment is conducted down to operating surplus level, and thereafter only on items pertaining directly to investment properties. Other revenue and costs are assessed as Group-wide and are not allocated by segment. Items directly attributable to investment properties are also segmented in the balance sheet. Other assets, and equity and liabilities, are assessed as essentially Group-wide.



	Stockholm		Gothenburg		Malmö		Uppsala		Group-wide		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
INCOME STATEMENT												
Rental revenue	6,210	5,973	1,666	1,654	865	841	706	689	0	0	9,447	9,157
Operating expenses	-563	-552	-153	-148	-117	-116	-89	-82	0	0	-922	-898
Repairs and maintenance	-112	-86	-23	-25	-13	-12	-15	-14	0	0	-163	-137
Property management costs	-252	-236	-89	-93	-61	-61	-52	-50	0	0	-454	-440
Property tax	-598	-577	-142	-145	-63	-52	-50	-46	0	0	-853	-820
Property expenses	-1,525	-1,451	-407	-411	-254	-241	-206	-192	0	0	-2,392	-2,295
Operating surplus	4,685	4,522	1,259	1,243	611	600	500	497	0	0	7,055	6,862
Central administration	0	0	0	0	0	0	0	0	-112	-111	-112	-111
Result from participations in associates and joint ventures	0	0	0	0	0	0	0	0	-1	-211	-1	-211
Financial income	0	0	0	0	0	0	0	0	184	154	184	154
Financial expenses	0	0	0	0	0	0	0	0	-2,069	-1,884	-2,069	-1,884
Interest expense lease liability: ground rents and land leases	0	0	0	0	0	0	0	0	-208	-165	-208	-165
Profit before value changes and tax											4,849	4,645
<i>- Of which, income from property management</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,845</i>	<i>4,852</i>
Change in value of investment properties	308	-10,309	428	-4,625	-29	-770	-263	-846	0	0	444	-16,550
Depreciation of right-of-use assets	0	0	0	0	0	0	0	0	-7	-7	-7	-7
Change in value of financial instruments	0	0	0	0	0	0	0	0	-418	-1,720	-418	-1,720
Profit/loss before tax											4,868	-13,632
BALANCE SHEET												
Investment properties	122,993	120,592	30,510	29,449	13,214	13,113	11,466	11,415	0	0	178,183	174,569
<i>of which, investments during the year</i>	<i>1,427</i>	<i>1,660</i>	<i>545</i>	<i>425</i>	<i>129</i>	<i>158</i>	<i>314</i>	<i>559</i>	<i>0</i>	<i>0</i>	<i>2,415</i>	<i>2,802</i>
<i>of which, acquisitions/sales during the year</i>	<i>691</i>	<i>0</i>	<i>88</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>779</i>	<i>0</i>
Right-of-use assets: leaseholds and land leases	0	0	0	0	0	0	0	0	7,554	6,329	7,554	6,329
Goodwill	0	0	0	0	0	0	0	0	1,901	1,901	1,901	1,901
Other assets	0	0	0	0	0	0	0	0	11,278	12,021	11,278	12,021
Total assets											198,916	194,820

2.2 Rental revenue

§ Accounting policies – rental revenue

The Group's revenue primarily consists of rental revenue and additional rental charges, which are invoiced in advance and allocated over a straight line so that only the portion that falls due during the period is recognised as revenue. Additional rental charges pertaining to media, property tax and other expenses are treated as an integrated part of rental revenue, since they are not independent services. In those cases where Vasakronan acts as the tenant's representative, the services are invoiced for separately. When applicable, recognised revenue is reduced by the cost of incentives. Larger rent discounts are allocated in a straight line over the term of the agreement. Surrender premia paid by tenants in conjunction with vacating leases prior to lease expiry are recognised as revenue in conjunction with the termination of the agreement and when no commitments remain for Vasakronan, which generally arises on vacation of the premises.

Rental agreements classified as operating leases and properties leased out under operating leases are included in investment properties.

Change in the Group's rental revenue

Income statement 2023	9,157
Change in comparable property holdings	123
Project developments	131
Acquired properties	36
Properties sold	0
Income statement 2024	9,447

Lease portfolio expiry structure	No. of contracts	Annual rent
Expires within 1 year ¹	2,899	1,756
2026	794	1,602
2027	724	1,841
2028	357	1,236
2029	183	954
More than 5 years	219	2,329
Total	5,176	9,718

1) Of which, 1,191 residential leases with annual rents amounting to SEK 121 million.

At year end, the average remaining term to maturity for the lease portfolio was 3.4 years (3.3). Of contracted rents, 95% (95) pertained to commercial leases and 5% (5) to leases for residential and parking facilities. There are some 3,985 commercial leases (4,037) allocated across tenants in a number of different industries. No single tenant accounts for more than 3% of rental revenue. Public sector tenants account for 24% (24) of contracted rents. Credit loss exposure is reduced through analysis of tenants' credit ratings for new lettings and on an ongoing basis. When needed, requirements are set for collateral.

2.3 Costs

The Group's costs mainly encompass direct property expenses and administration costs.

Costs recognised in profit or loss	Group	
	2024	2023
Property expenses excluding administration	-1,938	-1,855
Property management costs	-454	-440
Central administration	-112	-111
Total	-2,504	-2,406

Expenses allocated by category	Group	
	2024	2023
Repairs and maintenance	-163	-137
Property tax	-853	-820
Other direct property expenses	-903	-881
Personnel costs	-397	-431
Depreciation	-27	-21
Other external expenses	-161	-116
Total	-2,504	-2,406

The operations of the Parent Company consist of Group-wide functions and management of properties owned by other Group companies. The property management costs are invoiced to the property-owning Group companies as property administration. Central administration costs are recognised in the Parent Company and relate to the costs associated with the Group management, property investments, financing and central marketing.

	Group	
	2024	2023
Administration		
Personnel costs	-213	-231
Procured services	-186	-190
IT	-75	-55
Marketing	-34	-29
Depreciation, equipment	-9	-8
Non-deductible VAT	-13	-13
Other	-36	-25
Total	-566	-551
	Group/ Parent Company	
	2024	2023
Auditors' fees		
KPMG		
Audit engagement	2.0	0.0
Audit activities other than the audit engagement	0.4	0.0
Tax advice	0.5	0.0
EY		
Audit engagement	0.0	1.7
Audit activities other than the audit engagement	0.0	0.8
Tax advice	0.2	0.5
Other	0.0	0.1
Total	2.9	3.1

The audit engagement refers to the statutory audit required of the auditors in order to be able to submit an auditor's report. KPMG AB were elected as new auditors at the 2024 AGM.

2.4 Employees, personnel costs and remuneration to the Board

§ Accounting policies – Employee compensation

Remuneration of employees is recognised as vested and comprises salaries, paid holiday, paid sick leave and other benefits as well as pensions. Pensions are based on defined-contribution or defined-benefit pension plans. For defined-contribution pension plans a fixed premium is paid to a separate legal entity and the Group expends the resulting cost as the benefit is vested. For defined-benefit pension plans, the employee is guaranteed an amount on retirement.

Vasakronan applies IAS 19 in its accounting. The recognised commitment for defined-benefit obligations is calculated by an independent actuary at the present value of future disbursements discounted by the interest rate on high-quality mortgage bonds with corresponding maturities to the term of the actual pension obligation. Actuarial gains and losses are recognised in other comprehensive income in the period in which they arise.

Employees

All of the Group's staff are employed by the Parent Company, Vasakronan AB. In 2024, the average number of employees was 304 (297) of these 155 (141) were women and 149 (157) men. More details regarding the number of employees are available in the Group's sustainability reporting.

Vasakronan's senior executives refers to the Chief Executive Officer and the other individuals who, together with the CEO, comprise the Management Team, refer to pages 47–48. At the balance-sheet date, the gender breakdown of the Group's senior executives was as follows: 5 (5) women and 4 (4) men, and for the Board: 5 (5) women and 3 (4) men.

Salaries and other benefits

Salaries and other benefits for the CEO and other senior executives consist only of fixed salaries. Variable compensation can be paid to other employees based on the operational focus areas, which for 2024 were occupancy rate, operating surplus, net lettings, customer satisfaction and Taxonomy alignment. A positive total yield comprises a prerequisite for any form of variable compensation. The Group has a standardised model for variable compensation, whereby the maximum outcome is capped at two months' salary. A provision has been made in the financial statements for the 2024 anticipated outcome, with payment to be made in the first quarter of 2025. For the 2023 financial year, the total yield was negative and accordingly, no variable compensation was paid in 2024.

	Parent Company	
	2024	2023
Salaries and other benefits		
Senior executives	25	25
Other employees	198	227
Total salaries and benefits	223	252
Pension costs	95	94
Social security costs	97	100
Total	415	446

Remuneration to the Board

Remuneration to the Board is determined by resolution of the AGM and is disbursed as salary. Board members employed at one of the Swedish national pension funds receive no Board fees.

Senior executives 2024 (SEK 000)	Basic salary/ Board and committee fees ¹	Other benefits ²	Pension costs	Total
Chairman of the Board				
Ulrika Francke	894	0	0	894
Other Board members				
Ann-Sofi Danielsson	494	0	0	494
Hannes Hasselrot	315	0	0	315
Magnus Meyer	315	0	0	315
Kia Orback Pettersson	315	0	0	315
	2,333	0	0	2,333
Chief Executive Officer Johanna Skogestig	6,108	7	1,838	7,953
Other senior executives ³	17,045	55	8,976	26,076
	23,153	62	10,814	34,029
Total	25,486	62	10,814	36,362

1) Pertains to fees paid.

2) Other benefits pertain primarily to costs for group health insurance and group life insurance.

3) Average of eight individuals.

Senior executives 2023 (SEK 000)	Basic salary/ Board and committee fees ¹	Other benefits ²	Pension costs	Total
Chairman of the Board				
Ulrika Francke	864	0	0	864
Other Board members				
Ann-Sofi Danielsson	484	0	0	484
Hannes Hasselrot	305	0	0	305
Magnus Meyer	305	0	0	305
Kia Orback Pettersson	305	0	0	305
	2,263	0	0	2,263
Chief Executive Officer Johanna Skogestig ⁵	5,894	6	2,036	7,936
Other senior executives ⁴	16,457	53	9,712	26,222
	22,351	59	11,748	34,158
Total	24,614	59	11,748	36,421

1) Pertains to fees paid.

2) Other benefits pertain primarily to costs for group health insurance and group life insurance.

3) Pension costs for the year include premiums pertaining to previous financial years.

4) Average of eight individuals.

Pensions

The pension rights of salaried employees are covered pursuant to the BTP pension plan (the occupational pension plan for Swedish bank employees), which is financed through payments to SPP. According to a statement from the Swedish Financial Reporting Board UFR 10, this comprises a multi-employer plan. Employees engaged after 1 August 2022 are encompassed by a defined-contribution plan within BTP, while other employees are covered by a defined-benefit plan.

For the CEO, pensionable salary consists of the applicable base salary and holiday pay. The pension provision is to comprise 30% of pensionable salary with a pension age of 65.

Other senior executives have a “10-pointer” pension solution through the BTP plan, which is calculated based on a retirement age of 65.

Terms and conditions

In the event of termination of employment for the CEO; a mutual notice period of six months applies. In the event of notice being given by the company, for a reason that does not warrant immediate dismissal, further severance pay corresponding to 12 months’ salary is due in addition to the benefits during the notice period.

Other senior executives are subject to a mutual notice period of six months. If employment is terminated by the company, the senior executive is entitled to severance pay of 12 months’ salary. Senior executives who joined the Management Team prior to 2020 and who are aged over 50 at the time notice is given, will receive severance pay of 18 months’ salary.

If the CEO or other senior executives receive remuneration from other employment, the severance pay is reduced by a corresponding amount. If the employment is terminated by the CEO or other senior executive, no severance pay is due.

Provision for pensions

The pension solutions primarily encompass retirement, disability and survivors’ pensions, and are held in either defined-contribution or defined-benefit pension plans. Defined-contribution pension plans comprise BTP, BTPK and defined-benefit plans comprise BTP and BTPK, which are secured through insurance with SPP as well as a number of retirement and survivors’ obligations secured with Skandia. There are also defined-benefit pension obligations that Vasakronan took over from Byggnadsstyrelsen when Vasakronan was founded in 1993, which are administered by the National Government Employee Pensions Board and have mainly been secured with KPA.

Under IAS19, all defined-benefit pension rights are vested on a straight-line basis over the period of employment. This means that the pension costs in the consolidated income statement consist of an estimated value which could differ from the actual paid-up pension premiums recognised in the Parent Company. The present value of pension obligations and the fair value of plan assets are recognised net in the consolidated balance sheet.

	Group		Parent Company	
	2024	2023	2024	2023
Pension costs in the income statement				
Pension costs, defined-contribution	62	65	61	58
Pension costs, defined-benefit	8	10	34	36
Separate payroll tax on pension costs	16	18	22	23
Total pension costs in the income statement	86	93	117	117
<i>Of which recognised as property administration</i>	69	75		
<i>Of which recognised as central administration</i>	17	18		
Pension costs in other comprehensive income, excl. tax				
Actuarial gains(-)/losses(+), incl. payroll tax	-33	-14		
Restriction for surplus in pension plan with asset cap, incl. payroll tax	1	-11		
Total pension costs in other comprehensive income, excl. tax	-32	-25		

	Group	
	2024	2023
Net debt defined-benefit pensions, Group		
Change in the defined-benefit obligation		
Present value of the pension obligation, opening balance	339	352
Pension rights vested through service ¹	8	10
Interest on pension obligation ¹	14	12
Pension disbursements	-23	-20
Actuarial gains(-)/losses(+) on pension obligations ²	46	-15
Present value of the obligation, closing balance³	384	339
Change in plan assets		
Fair value of plan assets, opening balance	-391	-394
Interest income ¹	-16	-14
Paid-in premiums	-35	-30
Pension disbursements	22	20
Return on plan assets excluding interest income ²	-19	27
Fair value of plan assets, closing balance	-439	-391
Restriction for surplus in pension plan with asset cap	59	55
Other pension obligations	4	5
Separate payroll tax on net pension debt	1	2
Net debt, defined-benefit pensions	9	10

1) Recognised in profit or loss.

2) Recognised in other comprehensive income.

3) Expected weighted-average duration for the obligation's present value on 31 Dec 2024 is 14.4 years (13.5).

Plan assets consist of shares (24%), bonds (47%), properties (13%) and other (16%).

The difference between the actual and the expected return amounted to SEK 19 million (negative: 27) and was recognised as the return on plan assets excluding interest income.

Net actuarial gains (-) and losses (+) after tax amounted to SEK 26 million (20) and were recognised in other comprehensive income.

The Group's payments to defined-benefit plans are expected to amount to SEK 16 million (16) in 2025.

	Group	
Actuarial and financial assumptions	2024	2023
Discount rate, %	3.4	4.1
Annual inflation, %	2.0	2.0
Annual wage growth, %	3.5	3.5
Employee turnover, %	6.0	6.0
Mortality table	DUS23	DUS23

Sensitivity analysis	Change in assumption	Value impact, SEK m
Discount rate	+/- 1.0 percentage point	-51/+65
Annual wage growth	+/- 1.0 percentage point	+6/-4
Annual inflation	+/- 0.5 percentage points	+29/-26
Employee turnover	+/- 1.0 percentage point	-2/+2
Mortality rate	+/- 1 year life expectancy	+16/-16

2.5 Financial income and expenses

§ Accounting policies – Financial income and expenses

Financial income encompasses interest income on bank funds, receivables, financial investments and dividend income. Expenses consist of interest expense and other costs arising in conjunction with borrowing, such as arrangement fees and administrative expenses. The net effect of exchange-rate differences on financial items is recognised as an income or expense depending on the outcome. Financial income and expenses are recognised in profit or loss in the period in which they arise. Financial expenses pertaining to major new construction, extensions and redevelopments are capitalised in the balance sheet as investments during the production period.

Net interest

Net interest is not affected by the market values of contracted interest-rate derivatives, which are used to adjust fixed-interest periods, since they are recognised as changes in value under their own heading (see Note 6.4). Interest expense on lease liabilities is reported as a separate line item in the income statement and, accordingly, not included in the general category of net interest.

	Group		Parent Company	
	2024	2023	2024	2023
Net interest				
Interest income	183	154	181	152
Interest income from subsidiaries	–	–	2,195	1,699
Other financial income	1	0	0	0
Total interest income	184	154	2,376	1,851
Interest expense	-2,117	-1,955	-2,110	-1,954
Interest expense to subsidiaries	–	–	-22	-22
Capitalised interest	104	116	–	–
Other financial expenses	-56	-45	-55	-45
Total interest expenses	-2,069	-1,884	-2,186	-2,021
Net interest	-1,885	-1,730	190	-170

The average interest rate for the loan portfolio over the period is used for capitalising interest expense. The interest rate applied for capitalisation purposes in 2024 was in the 2.7–2.9% range.

Note 3 Tax

§ Accounting policies – Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except where the underlying transaction is recognised in other comprehensive income or directly in equity, in these cases the accompanying tax effect is also included.

The current tax charge is calculated on the taxable income for the period and recognised as an expense or income in profit or loss. Taxable income differs from profit in the form of adjustments for non-taxable income and non-deductible items.

Current tax is tax that is to be paid or received in the current year adjusted with any current tax attributable to prior periods.

Deferred tax is recognised according to the balance sheet method, and deferred tax liabilities and tax assets are recognised in the balance sheet for all temporary differences that arise between the carrying amount and the tax base of an asset or liability. The carrying amounts for deferred tax assets and tax losses are tested at each reporting date and reduced if it is no longer likely that sufficient taxable profits will be available to be utilised fully or in part.

Deferred income tax is calculated based on tax rates and tax laws that have been enacted or substantively enacted by the balance-sheet date and, which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The temporary difference that arises from the initial recognition of assets or liabilities in an asset acquisition is not recognised as deferred tax.

For the 2024 financial year, the Group's consolidated revenue has exceeded EUR 750 million for at least two of the four preceding financial years and the same circumstances are expected for 2025. The Group is therefore subject to the Top-up Tax Act based on the OECD Pillar 2 model rules and the EU Directive ensuring a global minimum tax level for multinational groups and large-scale national groups in the Union. However, according to the Top-up Tax Act (SFS 2023:875), any top-up tax that may be applicable is to be reduced to zero during the first five years for groups where only Swedish group entities are included. As the Vasakronan Group solely comprises Swedish entities, no consequent effect on income tax is expected. The Group has also applied the mandatory exemption from calculating and reporting deferred tax based on the Top-up Tax Act, according to IAS 12.4A.

Tax on profit for the year	Group		Parent Company	
	2024	2023	2024	2023
Current tax	-311	-341	-197	-106
Deferred tax	-734	3,115	86	352
Total tax on profit for the year	-1,045	2,774	-111	246

3.1 Summary of tax expense/income

Tax expense	Group		Parent Company	
	2024	2023	2024	2023
Recognised profit before tax	4,868	-13,632	3,981	5,350
Tax on profit according to applicable tax rate	-1,003	2,808	-820	-1,102
Tax effect of:				
Tax attributable to previous fiscal years	-2	-2	0	0
Result from participations in associates and joint ventures	0	-23	0	0
Non-taxable dividend	-	-	576	1,349
Impairment/reversal of impairment of participations	-	-	12	-5
Group equalisation of net interest income	-	-	39	0
Non-deductible interest expenses and deductions for previous years' non-deductible interest expenses	-39	3	88	11
Other non-taxable income/non-deductible costs	-3	0	0	-1
Other fiscal adjustments	2	-12	-6	-6
Tax expense recognised	-1,045	2,774	-111	246
Effective tax rate, %	21.5	20.4	-	-

Properties can be divested directly or indirectly through the divestment of the property-owning subsidiary. Gains from the sale of property are taxable while gains from the sale of companies are in most cases free of taxes.

The result from participations in associates and joint ventures is recognised in profit or loss net of any deduction/addition of estimated tax.

3.2 Deferred tax

Deferred tax liability	Opening balance		Recognised in profit or loss		Recognised in other comprehensive income		Closing balance	
	2024	2023	2024	2023	2024	2023	2024	2023
Group								
Derivatives	-171	182	-86	-353	0	0	-257	-171
Investment properties	24,932	27,679	850	-2,747	0	0	25,782	24,932
Untaxed reserves	282	282	-37	0	0	0	245	282
Other temporary differences	49	69	7	-15	-6	-5	50	49
Total deferred tax	25,092	28,212	734	-3,115	-6	-5	25,820	25,092
Parent Company								
Derivatives	-171	182	-86	-353	0	0	-257	-171
Total deferred tax	-171	182	-86	-353	0	0	-257	-171

3.3 Market value of deferred tax

The deferred tax liability is calculated in the balance sheet using a nominal tax rate and in the case of a market valuation of the deferred tax liability would probably result in a lower value than the carrying amount in the balance sheet. When calculating the key metric EPRA Net Tangible Assets (EPRA NTA), the fair value is calculated at 30% of the nominal tax rate of 20.6%, in other words 6.2%, which results in deferred tax of SEK 7,981 million. For more guidance, refer to the key metrics on page 30 and the definition for EPRA NTA on page 148.

3.4 Depreciation

Vasakronan recognises investment properties at fair value in the consolidated accounts. However, tax legislation permits depreciation of 2–5% for buildings, 5% for land improvements and 20–30% of the fixtures and fittings of a building or of the type of land improvement that constitutes the building and land inventory. Land may not be depreciated.

Note 4 Assets

4.1 Intangible assets

§ Accounting policies – intangible assets

Goodwill

The goodwill that arises when preparing the consolidated accounts comprises the difference between any consideration paid and the fair value of the net assets acquired. The Group's goodwill mainly arose from business acquisitions performed by Vasakronan and is recognised in accordance with IFRS 3 Business Combinations. In the Group, goodwill is mainly attributable to the difference between nominal and calculated tax for business combinations and is thus entirely linked to the deferred tax. This item changes if a property with goodwill is divested. When a property is sold, or alternatively if a need for impairment arises, goodwill attributable to the property is eliminated and recognised as "divested/impairment goodwill."

Other intangible assets

In addition to goodwill, the Group's intangible assets include the Vasakronan brand and investments in technical platforms. The brand was acquired through a business combination and is valued at fair value at the acquisition date.

Impairment testing

The useful lives for goodwill and the brand have been assessed as indefinite and therefore not subject to amortisation. Instead, their values are tested annually or on any indication of a need for impairment. Goodwill arising on acquisitions that are not considered asset acquisitions is tested for each property or balance-sheet item for which goodwill was allocated at the acquisition date.

Goodwill

The value of goodwill is tested each quarter to ensure the carrying amount for the property does not exceed the recoverable amount. The recoverable amount is mainly impacted by the assessed market value of deferred tax. The company management bases its assessment mainly on observable market data for completed transactions. When establishing the fair value for goodwill at the end of 2024, deferred tax has been measured at an average of 6.2% (6.2).

Other intangible assets

Investments in technical platforms are amortised on an ongoing basis. The residual value of the technical platforms and the brand are tested annually, or on any indication of a decline in value. This is to identify any need for impairment and to then recognise the brand at cost less any accumulated impairments. There were no intangible assets associated with technical platforms in 2024 and at year end, neither was there any recognition of brand impairment.

Intangible assets	Group					
	Goodwill		Other intangible assets		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	1,901	1,901	100	117	2,001	2,018
Divestments/impairment	0	0	0	-18	0	-18
Acquisitions for the year	0	0	0	6	0	6
Amortisation for the year	0	0	0	-5	0	-5
Closing balance	1,901	1,901	100	100	2,001	2,001

4.2 Investment properties

§ Accounting policies – investment properties

Vasakronan's properties are held to generate rental revenue and capital appreciation, and are therefore classified as investment properties. The term investment properties includes land and buildings, land improvements, building and land installations, and ongoing projects. Investment properties are recognised at fair value in the balance sheet, which is determined by the management based on the properties' market values. Changes in the fair value are recognised as realised and unrealised value changes in profit or loss. Vasakronan applies IFRS 13 Fair Value Measurement – Level 3 Unobservable inputs for the asset or liability.

On initial recognition, property is recognised at cost, including directly attributable transaction costs, and thereafter at fair value at each reporting date.

Subsequent expenditure is capitalised when it is probable that future economic benefits associated with the expenditure will accrue to the Group, in other words, when the expenditure adds value. Other repairs and maintenance costs are expensed when incurred.

In the case of major new construction, extensions and redevelopments, interest expense during the production period is capitalised in accordance with IAS 23 Borrowing Costs, see Note 6.2.

Investment properties	Group	
	2024	2023
Opening balance	174,569	188,317
Investments	2,415	2,802
Acquisitions, consideration	779	0
Change in value	420	-16,550
Closing balance	178,183	174,569
Fiscal values	49,652	50,598

Measurement

Fair value comprises the market value based on the most likely outcome of a sale with a normal marketing period in the open property market. To establish the properties' fair value at each reporting date, market valuations are conducted for all properties. The valuation process is governed by a valuation policy under which all properties are valued by external parties at year end and mid year, and valued internally at the end of the first and third quarters. If an agreement has been signed for a property divestment, where ownership has yet to be transferred, the agreed property value is used as the market value in the next quarterly accounts.

External valuations are conducted pursuant to RICS Valuation – Global Standards (the Red Book). In parallel with the external valuation, an internal control of the reasonableness of this valuation is carried out. In 2024, the external valuation was conducted by Cushman & Wakefield in Gothenburg and Stockholm, and by Forum Fastighetsekonomi in Malmö and Uppsala.

Valuation assumptions

Property valuations are based on observable and unobservable inputs. The observable data with the greatest valuation impact comprises actual rents as well as operating and maintenance costs, planned investments and actual vacancy rates. Unobservable inputs primarily include yield requirements, cost of capital and expectations in terms of rent and vacancy levels.

The market values are primarily assessed using a yield-based valuation method that utilises market-based cash-flow statements with a horizon of at least ten years, and which is primarily applicable for investment properties in normal operation and project developments with contracted tenants. In the case of development rights and other properties for which cash-flow valuation is not appropriate, the market values are instead determined using the location-price method, or alternatively, a development calculation after taking into consideration assessed market uncertainties.

The cost of capital and requirements for yields are based on the valuers' experience-based assessments of market return requirements for comparable properties. The projections of future cash flows take into consideration the use of the object, its age and maintenance status. Rent payments are based on existing rental contracts and on their expiry, rent levels at market rates are assumed. Cost for operation, maintenance and administration are based on actual costs in combination with projections, assessments and experience from comparable objects. Future investments have been assessed based on actual requirements. The external valuers inspect each property every three years.

Valuation assumptions		2024 average	2023 average
Inflation assumption, %		2.0	2.0
Cost of capital – cash flow, %		6.31	6.38
Cost of capital – residual value, %		6.42	6.52
Yield requirement – residual value, %		4.52	4.51
Long-term vacancy rate, %		5.19	5.17
Operating and maintenance costs, year 1, SEK/sq. m.		502	498
Investments, year 1, SEK/sq. m.		1,135	931
Market rent (at zero vacancies), SEK/sq. m.		4,216	4,127
Yield requirement – residual value per sub-market	Interval, %	2024 average, %	2023 average, %
Central Stockholm	3.55–6.00	4.13	4.17
Stockholm inner suburbs	4.40–6.90	5.42	5.35
Gothenburg	4.15–4.95	4.57	4.49
Malmö	4.40–6.15	5.12	5.05
Uppsala	4.40–6.00	5.13	5.11
Total	3.55–6.90	4.52	4.51
Yield requirements by property type	Interval, %	2024 average, %	2023 average, %
Offices	3.55–6.70	4.47	4.47
Retail	4.45–6.15	4.95	4.89
Other	5.35–6.90	5.81	5.53
Total	3.55–6.90	4.52	4.51



	Yield requirement – residual value, %			Long-term vacancy rate, %			Market rent (at zero vacancies), SEK/sq. m. ²			Operating and maintenance costs, year 1, SEK/sq. m.		
	Interval	Average	Change	Interval	Average	Change	Interval	Average	Change	Interval	Average	Change
Central Stockholm												
Offices	3.55–6.00	4.13	-0.04	3.0–10.9	4.8	0.0	3,214–10,799	6,522	135	353–823	558	14
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Stockholm inner suburbs												
Offices	4.40–6.70	5.41	0.07	2.9–15.9	7.6	0.1	2,200–4,461	3,035	43	215–762	446	-2
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Other ¹	6.90–6.90	6.90	0.65	20.0–20.0	20.0	-	-	-	-	-	-	-
Gothenburg												
Offices	4.15–4.95	4.53	0.07	3.0–6.0	5.0	0.1	2,757–5,043	3,453	216	0–735	399	-28
Retail	4.45–4.75	4.64	0.07	1.8–4.4	3.7	0.0	3,953–6,992	4,455	111	431–768	532	9
Other	-	-	-	-	-	-	-	-	-	-	-	-
Malmö												
Offices	4.40–5.85	4.90	0.09	3.8–7.2	4.9	0.0	2,230–3,583	2,809	71	220–573	372	5
Retail	5.30–6.15	5.67	-0.02	3.9–5.3	4.4	-0.6	2,403–5,232	3,202	96	407–1,302	798	52
Other	5.60–6.10	5.72	0.06	2.7–4.9	3.6	0.1	3,367–5,256	4,330	110	506–909	712	9
Uppsala												
Offices	4.40–6.00	5.07	0.07	2.6–6.7	4.2	0.1	2,168–3,623	2,805	90	379–723	482	5
Retail	5.30–5.55	5.44	0.09	2.8–5.1	3.4	0.0	2,627–3,031	2,746	25	494–771	639	10
Other ¹	5.35–5.35	5.35	0.05	-	-	-	-	-	-	-	-	-

1) Only properties without NFA.

2) Pertains to the interval at a valuation object level.

	Group	
	2024	2023
Change in value of investment properties		
Project developments and development properties	494	-1,060
Transactions	38	0
Investment properties	-112	-15,490
Total change in value	420	-16,550
Undertakings to complete major projects		
Remaining investment	1,352	2,249

Sensitivity analysis

Estimated market values are subject to uncertainty since property valuations entail an assessment of a likely sales price at a given valuation date in the market. Therefore, the valuations are provided together with a value interval that normally amounts to +/- 5-10%. However, the value interval may vary over time due, inter alia, to market conditions and property-specific changes.

In an uncertain market with few transactions, changes in valuation assumptions may be difficult to identify, in particular yield requirements. The following table illustrates the effects on the market value of each individual change.

Sensitivity analysis	Change in assumption	Value impact, SEK m	Value impact, %
Yield requirement and cost of capital	+1 percentage point	-31,910	-17.9
Yield requirement and cost of capital	-1 percentage point	50,047	28.1
Long-term vacancy rate	+/-1 percentage point	-/+2,020	-/+1.1
Operating and maintenance costs	+/- SEK 25 sq. m.	-/+1,197	-/+0.7
Market rents	+/- SEK 50 sq. m.	+/-2,394	+/-1.3

4.3 Right-of-use assets and lease liabilities

§ Accounting policies – Right-of-use assets and lease liabilities

In accordance with IFRS 16, all material leases that extend for more than 12 months are recognised as right-of-use assets and financial liabilities. For Vasakronan these leases comprise land leases and ground rent agreements. Lease payments are allocated between amortisation and interest, with the interest recognised in profit or loss over the lease period pursuant to the effective interest method.

Ground rent agreements are treated as perpetual rental agreements that are given market valuations and, therefore, are not written down. The market values are calculated by discounting future fees using a discount rate corresponding to between 3.00 and 3.75%. For land leases, present values are calculated over the term of the contract by discounting future land leases by the market interest rate with a corresponding tenor to the contract. Payments associated with short-term leases of less than 12 months for equipment or vehicles, and all leases of low-value assets are recognised as expenses in profit or loss.

Right-of-use assets	Ground rent agreements	Land leases	Total
Cost:			
As of 1 January 2024	6,277	85	6,362
Acquisitions	205	0	205
Revaluation ¹	1,027	0	1,027
As of 31 December 2024	7,509	85	7,594
Depreciation:			
As of 1 January 2024	0	-34	-34
Depreciation for the year	0	-7	-7
As of 31 December 2024	0	-41	-41
Recognised assets as of 31 December 2024	7,509	44	7,554

1) The revaluation of ground rent agreements was attributable to higher estimates for ground rents on the agreements that expired during the year, but that are still under negotiation.

Right-of-use assets	Ground rent agreements	Land leases	Total
Lease liabilities			
Cost:			
As of 1 January 2024	6,277	85	6,362
Acquisitions	205	0	205
Revaluation ¹	1,027	0	1,027
As of 31 December 2024	7,509	85	7,594
Principal repayments:			
As of 1 January 2024	0	-33	-33
Principal repayments for the year	0	-7	-7
As of 31 December 2024	0	-40	-40
Recognised lease liabilities as of 31 December 2024	7,509	45	7,555

1) The revaluation of ground rent agreements was attributable to higher estimates for ground rents on the agreements that expired during the year, but that are still under negotiation.

Contracted future ground rents ¹	31 Dec 2024
Ground rents year 1	228
Ground rents, 2–5 years	911

1) Including assessed future ground rent agreements under negotiation.

4.4 Equipment

§ Accounting policies – equipment

Equipment mainly comprises office equipment, which is recognised at cost less accumulated depreciation and any impairment losses. Equipment is depreciated using the straight-line method over a five-year period and residual values are assessed as negligible and not taken into consideration. Depreciation is calculated from the time the asset is taken into use.

Assets that are subject to depreciation are reviewed for impairment whenever an indication arises that the carrying amount may not be recoverable. The impairment is established as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Equipment	Group		Parent Company	
	2024	2023	2024	2023
Cost:				
Opening balance	335	305	233	205
Acquisitions	78	35	64	28
Sales and disposals	0	-5	0	0
Closing balance – cost	413	335	297	233
Depreciation:				
Opening depreciation	-195	-152	-130	-92
Depreciation for the year	-58	-45	-48	-38
Sales and disposals	0	2	0	0
Closing balance – depreciation	-253	-195	-178	-130
Closing balance	160	140	119	103

Note 5 Operating receivables and liabilities

Accounts receivable are recognised net after provisions for doubtful receivables and the amount reflects the sum expected to be recovered based on the circumstances known at the balance-sheet date.

The payment period for accounts receivable is short and fair value corresponds to amortised cost less accumulated impairment.

Other current receivables, prepaid expenses and accrued income are recognised at carrying amounts as the payment period is short.

5.1 Accounts receivable

	Group		Parent Company	
	2024	2023	2024	2023
Tenant receivables	151	104	2	4
Provision for doubtful receivables	-57	-46	0	0
Closing balance	94	58	2	4
Aging report, accounts receivable, Group	2024	2023		
Current	41	35		
1–30 days past due	16	12		
31–90 days past due	25	11		
More than 90 days past due	69	46		
Total	151	104		

The Group reported losses of SEK 20 million (11) for the impairment of tenant receivables.

5.2 Other current receivables, prepaid expenses and accrued income

	Group		Parent Company	
	2024	2023	2024	2023
Accrued interest income	607	648	607	648
Accrued rent discounts	71	100	0	0
Deposit account	299	321	299	321
Prepaid operating expenses	42	46	1	2
CSA receivables	4	346	4	346
VAT in projects	145	140	0	0
Other items	262	388	264	88
Closing balance	1,430	1,989	1,175	1,405

5.3 Other current liabilities, accrued expenses and deferred income

	Group		Parent Company	
	2024	2023	2024	2023
Prepaid rental revenue	1,752	1,757	0	0
Accrued interest expense	913	953	913	953
Accrued expenses for ongoing projects	152	155	0	0
Deposits, CSAs	609	12	609	12
VAT	352	291	10	14
Deposits	299	321	9	0
Property tax	0	172	0	0
Vacation pay, social security expenses and employee with-holding taxes	57	52	57	52
Other items	262	219	51	41
Closing balance	4,396	3,932	1,649	1,072

Note 6 Financing and capital structure

6.1 Goals for financing activities

Owning and developing properties is a capital-intensive business. Interest expense is one of the Group's major cost items and access to cost-efficient financing is strategically important. Vasakronan finances its activities through owners' capital or through external borrowing. This division is based on a weighting of the requirements for returns and financial stability.

Vasakronan's financial objective is, within set frameworks and with restrictions, to diversify its financing structure in terms of tenors and financing sources to thereby secure its required funding at the lowest possible cost.

In July 2024, Moody's confirmed the rating of A3 with a stable outlook. The rating is based on the high quality of the property portfolio, healthy financial key metrics and the links to the company's owners, the First, Second, Third and Fourth Swedish national pension funds.

§ Accounting policies – Financial instruments

Financial instruments

Financial instruments are defined as any form of agreement or contract that gives rise to a financial asset or liability. Financial assets in the balance sheet are: accounts receivable, receivables from joint ventures, cash and cash equivalents, and derivatives. Financial liabilities comprise: accounts payable, borrowings and derivatives.

Accounts receivable and accounts payable are based on their nominal values, in other words, consideration is given to any assessed credit losses. Financial assets and liabilities are measured at amortised cost, with the exception of derivatives. For disclosure purposes, the fair value of financial liabilities is stated. This is calculated by discounting future cash flows using current market interest rates plus the prevailing credit margin. Derivatives are measured at fair value since the Group does not apply hedge accounting. Fair value is calculated by discounting future contracted cash flows on each tenor using the current market interest rate, which means that the determination of fair value is in accordance with Level 2 of IFRS 13.

Financial risks and reporting

Financing and financial risks are managed pursuant to guidelines set by Vasakronan's Board. The Group is exposed to financing risk, interest-rate risk, credit risk and currency risk in its financing activities.

Financial policy

Goals, governing principles and allocation of responsibilities across treasury operations are set in Vasakronan's financial policy and an instruction to Treasury. The steering documents regulate the risk mandate and principles for calculating, reporting, following up and controlling financial risks. The duality principle applies to transactions, meaning that the person who executes and records a transaction is not authorised to control or manage the associated funds. Authority to conclude business transactions is regulated through powers of attorney with the respective counterparty. The financial policy and the instruction to Treasury are evaluated on an ongoing basis and adopted each year by the Board.

All financing activities are conducted by a central finance function. This ensures efficient management and control of the company's financial risks and enables the utilisation of economies of scale.

Summary, compliance with financial policy	Policy	31 Dec 2024
Financing risk		
Loan-to-maturity	min. 2 years	4.5 years
Loan-to-maturity, including unutilised credit commitments	–	4.8 years
Loans maturing, 12 months	max. 40%	18%
Credit commitments and cash/loans maturing 12 months	at least 100%	165%
Interest-rate risk		
Interest coverage ratio	min. 2.0x (LTM)	3.6x
Fixed-interest period	min. 2 years	4.1 years
Fixed-interest maturity within 12 months	max. 55%	18%
Currency risk		
Currency exposure with no foreign currency assets	No exposure	met
Currency exposure with foreign currency assets	max 1% of total assets	met
Credit risk		
Counterpart's rating	min. A-, or BBB+ with CSAs	met
Other		
Secured financing/total assets	max. 20%	6%

6.2 Breakdown of funding sources, share of total loan portfolio

	Loan limit	Nominal amount base currency	Amount utilised	Share, %
Commercial paper	25,000	–	4,483	6
Bonds, SEK	91,621 ¹	–	27,085	36
Bonds, NOK	–	12,281	11,916	16
Bonds, EUR	–	457	5,229	7
Bonds, JPY	–	29,400	2,070	3
Bonds, AUD	–	230	1,574	2
Bonds, USD	–	495	5,445	7
Bonds, HKD	–	790	1,119	1
Bonds, CHF	–	20	243	0
Secured bank loans	11,138	–	11,138	15
NIB and EIB	4,464	–	4,464	6
Credit facility from owners	18,000	–	0	0
Total			74,766	100

1) The amount corresponds to EUR 8,000 billion and encompasses all currencies.

Summary of liabilities arising from financing activities – Group and Parent Company 2024	Opening balance	Loan repayments	New borrowings	Repayment premiums/discounts	Exchange-rate differences	Closing balance
Commercial paper	4,215	-14,428	14,708	-12	0	4,483
Bonds	55,059	-7,919	7,042	13	488	54,683
Bank loans	16,985	-1,983	590	9	0	15,601
Total	76,259	-24,331	22,341	10	488	74,767

Summary of liabilities arising from financing activities – Group and Parent Company 2023	Opening balance	Loan repayments	New borrowings	Repayment premiums/discounts	Exchange-rate differences	Closing balance
Commercial paper	4,886	-16,384	15,701	12	0	4,215
Bonds	54,453	-8,064	10,092	6	-1,428	55,059
NSVs	559	-564	0	0	5	0
Bank loans	17,527	-542	0	0	0	16,985
Total	77,425	-25,554	25,793	18	-1,423	76,259

Exchange-rate differences and repayment premiums/discounts are non-cash items.

Loan terms and conditions

- Agreements for commercial paper and bank loans contain an ownership covenant that allows lenders to terminate the loan and require repayment unless the First, Second, Third and Fourth Swedish national pension funds collectively or separately own at least 51% of Vasakronan. A similar ownership covenant is included in bond agreements whereby the bondholder can require repayment if a change in ownership, as above, should lead to a downgrade of the company's rating by at least one level.
- The bank loan agreements also contain a covenant specifying that the interest coverage ratio may not fall below a multiple of 1.5.
- Unsecured loan agreements also include covenants stating that the LTV may not exceed 65%.
- The bond is subject to a covenant that covered financing may not exceed 40% of the Group's total assets.

Carrying amount

Interest-bearing liabilities are recognised at amortised cost, which is reported in the above tables.

6.3 Financial risks

Currency risk

Currency risk pertains to unfavourable changes in exchange rates that impact the Group's financial position. Where assets in foreign currency exist, currency exposure (net of assets and liabilities in foreign currencies) is permitted corresponding to a maximum of 1% of the company's total assets. All currency risk must be eliminated if no assets are held in foreign currency. As Vasakronan holds no assets denominated in foreign currency, payments of interest and principal on foreign currency borrowings are hedged using cross-currency derivatives. Foreign currency borrowings are recognised in the balance sheet at amortised cost and are translated at the closing rate at the balance-sheet date. This means that a gain or loss will arise if the exchange rate at the time the loan was contracted differs from the current exchange rate. The exposure to interest and exchange rates for cross-currency derivatives is the same as for the underlying loans. In accordance with the IFRS 9 accounting rules, derivatives are marked to market. This entails that a gain or a loss arises depending on whether the contracted interest rate and exchange rates differ from the interest rates or exchange rates at the balance-sheet date. Since Vasakronan does not apply hedge accounting, the income statement and balance sheet do not fully reflect the hedge in the event of a gain or loss on currency derivatives due to changed interest rates, which is not taken into account in the measurement of foreign currency borrowings. As of 31 December 2024, the negative change in value on foreign currency borrowings amounted to SEK 669 million. A corresponding asset of SEK 669 million is reported for the underlying cross-currency derivatives. The negative market value for derivatives linked to changed interest rates for foreign currencies is not reflected in the income statement and balance sheet for the underlying loans.

Financing and liquidity risk

Financing risk refers to the long-term risk that meeting the Group’s capital needs or refinancing existing loans may become more difficult or costly, for example, due to limited access to diverse funding sources. This risk is limited since the average remaining tenors for interest-bearing liabilities may not be less than two years.

Vasakronan has a credit facility that extends indefinitely from the First, Second, Third and Fourth Swedish national pension funds, whereby the owners commit to supply the company with liquidity. The agreement has a volume of SEK 18 billion and a notice period of 24 months.

Cash and cash equivalents are recognised at nominal values and include cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. Liquidity risk pertains to Vasakronan’s risk of having insufficient cash funds or credit to meet its payment obligations. The risk is balanced since the relationship between credit commitments, cash funds and loans maturing within 12 months must be not less than 100%.

The maturity analysis is based on amounts for future undiscounted cash flows related to financial receivables and liabilities, including interest, allocated over the period until the contractual maturity date. The closing interest rates for the respective loans and derivatives form the basis for estimating future cash flows for all liabilities. The closing exchange rate is used for currency derivatives.

Interest-rate risk

Interest-rate risk pertains to the risk of exposure to changes in market interest rates and credit margins. Vasakronan’s finance function limits the risk by maintaining an average fixed-interest tenor of at least two years. Interest-rate risk is reflected by the interest coverage ratio which, pursuant to the financial policy, should always exceed a multiple of 2.0 over the last 12 months. An increase in the interest rate of 1 percentage point would increase interest expenses SEK 116 million over the next 12-month period.

Liquidity risk – maturity analysis GROUP	2024				2023			
	0–1 year	1–2 years	2–5 years	>5 years	0–1 year	1–2 years	2–5 years	>5 years
Assets								
Accounts receivable	94	0	0	0	58	0	0	0
Other receivables	2,328	0	0	0	2,459	0	0	0
Cash and cash equivalents	3,878	0	0	0	3,225	0	0	0
Total	6,300	0	0	0	5,742	0	0	0
Liabilities¹								
Bonds	-7,999	-9,810	-29,062	-33,583	-6,939	-10,758	-22,688	-23,249
Bank loans	-2,086	-995	-10,631	-4,145	-2,808	-2,278	-10,478	-5,259
Commercial paper	-4,500	0	0	0	-4,256	0	0	0
Interest-rate derivatives	599	596	688	-258	-143	-62	63	144
Currency derivatives – inflows	1,015	1,523	15,904	24,132	1,088	847	12,954	30,336
Currency derivatives – outflows	-1,901	-2,551	-9,413	-17,789	-1,625	-1,553	-7,321	-22,480
Accounts payable	-85	0	0	0	-70	0	0	0
Total	-14,957	-11,237	-32,514	-31,643	-14,753	-13,804	-27,470	-20,508

1) Excluding lease liability, leaseholds and land leases.

	Group		Parent Company	
	2024	2023	2024	2023
Cash and cash equivalents				
Cash and cash equivalents	3,878	3,225	3,874	3,222
Closing balance	3,878	3,225	3,874	3,222

Maturity structure of current and non-current interest-bearing liabilities in the Group and Parent Company, years	Group/Parent Company			
	Fixed-interest		Loan-to-maturity	
	Amount	Share, %	Amount	Share, %
0-1	13,243	18	13,226	18
1-2	6,595	9	10,262	14
2-3	21,838	29	11,755	16
3-4	8,848	11	10,417	14
4 years or more	24,243	33	29,107	38
Closing balance	74,767	100	74,767	100
Of which:				
Interest-bearing liabilities – floating rate	11,599			
Interest-bearing liabilities – fixed rate	63,168			

Floating interest pertains to fixed-interest tenors of not more than three months.

6.4 Derivatives

Derivatives are recognised in the balance sheet at the contract date and are measured on an ongoing basis at fair value pursuant to Level 2 in IFRS 13. All derivatives are recognised as assets when fair value is positive and as liabilities when negative. Gains or losses arising from changes in value are recognised in profit or loss. Derivatives may only be used for risk management within the framework of the financial policy and the electricity trading policy, and are used primarily for controlling fixed-interest tenors and balancing the following risk areas:

Risk area	Derivative contracts
Interest-rate risk	Interest-rate swaps, inflation-linked swaps
Currency risk	Cross-currency basis swaps
Price risk – electricity	Electricity forwards

Derivative contracts in the consolidated and Parent Company balance sheets

Derivatives – financial assets	2024	2023
Interest-rate swaps, cross-currency basis swaps	2,569	3,375
Closing balance	2,569	3,375
Derivatives – financial liabilities	2024	2023
Interest-rate swaps, cross-currency basis swaps, inflation-linked swaps	-3,122	-4,012
Electricity derivatives	-25	-11
Closing balance	-3,147	-4,023
Net Derivatives	-578	-648

To reflect counterparty risk, derivatives are adjusted to fair value through the Credit Value Adjustment (CVA) and Debt Value Adjustment (DVA) components. The CVA shows the Vasakronan's credit risk in the event of the counterparty defaulting while the DVA reflects the company's own risk of default. Calculation of the valuation adjustment is based on the expected exposure, probability of default and recovery rates for exposed credits. As of 31 Dec 2024, the net value was a negative SEK 14 million (negative: 29) and is included in the value of interest-rate swaps.

Credit risk

Credit risk pertains to the risk that Vasakronan's counterparty is unable to discharge its commitments in conjunction with liquidity management and using financial derivatives. This risk is limited by working with a number of different counterparties. The financial policy also states that:

- Derivative agreements are signed with counterparties that have a credit rating of at least A- on Standard & Poor's rating scale or BBB+ with CSAs.
- Investments of cash and cash equivalents by purchasing commercial paper from counterparties that have a credit rating of at least BBB on Standard & Poor's or the Nordic Credit Ratings rating scale; or Baa2 on Moody's rating scale.
- The duration of liquidity investments may not exceed six months.
- ISDA agreements are required that allow offsetting of payables and receivables from the same counterparty.

Counterparty risk – derivative contracts

As part of managing counterparty risks in derivative contracts, the Group has entered into credit support annexes (CSAs) to International Swaps and Derivatives Association (ISDA) agreements. The annexes are mutual and both parties undertake to post cash collateral for deficit and surplus values in derivative contracts outstanding. As of 31 December 2024, the Group has received and posted such collateral.

	Group		Parent Company	
	2024	2023	2024	2023
Non-current receivables				
Deposits, CSAs	2,263	2,394	2,263	2,394
Other non-current receivables	74	74	55	55
Closing balance	2,337	2,468	2,318	2,449

	Group		Parent Company	
	2024	2023	2024	2023
Other non-current liabilities				
Deposits, CSAs	-67	0	-67	0
Liabilities to subsidiaries	-	-	0	-712
Other non-current liabilities	-65	-65	-54	-55
Closing balance	-132	-65	-121	-767

6.5 Financial instruments

Fair value corresponds to carrying amounts for the following financial instruments: accounts receivable, accounts payable, derivatives and cash and cash equivalents. Fair value for other financial instruments is established using the current yield curve along with a borrowing margin. This currently results in a lower interest rate than that contracted for the loan. Recognition at fair value would reduce the Group's liabilities by SEK 2,086 million and increase equity by SEK 1,656 million. All investments in financial instruments are intended to be held till maturity. See Note 6.1 for a description of the targets, policies and processes for financing activities. The table below shows the carrying amounts and fair values of the Group's financial assets and liabilities.

Classification of financial instruments, Group	Financial assets/liabilities at amortised cost		Financial assets/liabilities at FVTPL		Carrying amount		Fair value	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets								
Accounts receivable	94	58	0	0	94	58	94	58
Deposits, CSAs	2,263	2,394	0	0	2,263	2,394	2,263	2,394
Derivatives	0	0	2,569	3,375	2,569	3,375	2,569	3,375
Cash and cash equivalents	3,878	3,225	0	0	3,878	3,225	3,878	3,225
Total	6,235	5,677	2,569	3,375	8,804	9,052	8,804	9,052
Financial liabilities								
Bonds	54,683	55,058	0	0	54,683	55,058	52,338	50,689
Bank loans	15,601	16,986	0	0	15,601	16,986	15,859	17,015
Commercial paper	4,483	4,215	0	0	4,483	4,215	4,484	4,216
Lease liability, leaseholds and land leases	7,554	6,330	0	0	7,554	6,330	7,554	6,330
Accounts payable	85	70	0	0	85	70	85	70
Deposits, CSAs	67	0	0	0	67	0	67	0
Derivatives	0	0	3,122	4,012	3,122	4,012	3,122	4,012
Total	82,473	82,659	3,122	4,012	85,595	86,671	83,509	82,332

Change in value of financial instruments	Group/Parent Company	
	2024	2023
Interest-rate derivatives	-403	-1,530
Early settlement of derivatives	0	-9
Valuation allowances for foreign currency loans	-488	1,473
Valuation allowances for currency derivatives	488	-1,473
Electricity derivatives	-15	-181
Total	-418	-1,720

6.6 Pledged assets and contingent liabilities

Property deeds are pledged as collateral for the Group's interest-bearing liabilities.

Vasakronan is a limited partner in Stora Ursvik KB and its responsibility for the company's undertakings is limited to an amount equivalent to the invested capital of SEK 46 million (46).

For the Järvastaden AB joint venture, Vasakronan has issued surety of SEK 241 million (241) for the performance of the implementation agreement with Svenska Kraftnät.

	Group		Parent Company	
	2024	2023	2024	2023
Pledged assets and contingent liabilities				
Property deeds	11,180	11,180	None	None
Contingent liabilities	287	287	None	None

6.7 Adjustment for non-cash items

	Group		Parent Company	
	2024	2023	2024	2023
Adjustment for non-cash items				
Estimated defined-benefit pension costs	-33	-17	0	6
Total	-33	-17	0	6

Note 7 Group structure

7.1 Shares and participations in subsidiaries

Shares and participations in subsidiaries	Parent Company	
	2024	2023
Opening balance	37,564	37,586
Impairment	-189	-22
Reversed impairment	249	0
Closing balance	37,624	37,564

Companies in the Vasakronan AB Group	Shares/participations ¹	Share of equity, % ²	Carrying amount in Parent Company	
			2024	2023
Civitas Holding AB, 556459-9164, Stockholm	500	100	30,106	30,106
Vasakronan Fastigheter AB, 556474-0123, Stockholm	500	100	-	-
Vasakronan Holdingfastigheter AB, 556611-6850, Stockholm	1,000	100	-	-
Vasakronan Inom Vallgraven 2:3 AB, 556879-7012, Malmö	500	100	-	-
Vasakronan Malmöfastigheter AB, 556376-7267, Stockholm	5,000	100	-	-
Handelsbolaget Gotic, 969622-2844, Trelleborg	100	100	-	-
Ankarspik 123 AB, 559503-1427, Stockholm	500	100	-	-
Fastighets AB Luxor, 556059-7139, Stockholm	2,000	100	-	-
Vasakronan Vattenled AB, 556577-9088, Stockholm	1,000	100	-	-
Vasakronan Priorinnan 5 AB, 559073-2151, Stockholm	500	100	-	-
Mabrabo AB, 556339-0227, Stockholm	10,000	100	-	-
Vasakronan Kista Science Tower AB, 556649-8043, Stockholm	1,000	100	-	-
Kymlinge Utvecklings AB, 556647-7583, Stockholm	1,000	100	-	-
Vasakronan Kista Science Tower KB, 969660-7820, Stockholm	100	100	-	-
Vasakronan Uppsalafastigheter AB, 556651-1092, Stockholm	1,000	100	-	-
Kungspinnen I AB, 556701-4278, Stockholm	1,000	100	-	-
Frösunda Hus I AB, 556704-9183, Stockholm	1,000	100	-	-
Frösunda Hus II AB, 556704-9175, Stockholm	1,000	100	-	-
Frösunda Hus III AB, 556704-6213, Stockholm	1,000	100	-	-
Vasakronan Priorinnan 2 AB, 556675-2423, Stockholm	1,000	100	-	-

1) Pertains to the Group's total number of shares and participations.

2) Pertains to the Group's total share of equity.

Companies in the Vasakronan AB Group	Shares/ participations ¹	Share of equity,% ²	Carrying amount in Parent Company	
			2024	2023
Vasakronan Ängen AB, 556637-3550, Stockholm	1,000	100	-	-
Vasakronan Hakberget AB, 556745-5695, Stockholm	1,000	100	-	-
Vasakronan Trähus AB, 556715-4850, Stockholm	1,000	100	-	-
Vasakronan Hammarby Gård 12 AB, 556766-4007, Stockholm	1,000	100	-	-
Vasakronan Boländerna 7:4 AB, 556297-1696, Stockholm	1,000	100	-	-
Vasakronan Fålhagen 1:39 AB, 556876-3204, Stockholm	1,000	100	-	-
Vasakronan Sejen 3 AB, 556837-6742, Stockholm	500	100	-	-
Ankarspik 121 AB, 559440-1902, Stockholm	500	100	-	-
Vasakronan Fastighetsutveckling AB, 556532-9108, Stockholm	1,000	100	-	-
Järvatorget AB, 556548-5546, Stockholm	1,000	100	-	-
Vasakronan Ullevifastigheter Holding AB, 556718-7884, Stockholm	1,000	100	-	-
Vasakronan Ullevifastigheter AB, 556718-6704, Stockholm	1,000	100	-	-
Ullevi Park Holding 1 i Göteborg AB, 556718-6688, Stockholm	1,000	100	-	-
Ullevi Park 1 i Göteborg AB, 556718-6621, Stockholm	1,000	100	-	-
Vasakronan Skånegatan AB, 556870-5791, Stockholm	500	100	-	-
Vasakronan Hekla AB, 559088-2196, Stockholm	500	100	-	-
Vasakronan Hekla Fastigheter AB, 559091-2340, Stockholm	500	100	-	-
Vasakronan Markholding AB, 556675-1771, Stockholm	1,000	100	-	-
Ankarspik 122 AB, 559399-7181, Stockholm	500	100	-	-
Fastighets AB Gesimsen Grön, 556011-7698, Stockholm	50,000	100	1,916	1,916
Fastighets AB Svava, 556268-6658, Uppsala	500,000	100	-	-
Vasakronan Uppsala City AB, 556057-0896, Uppsala	75,000	100	-	-
Uppsala Science City AB, 556250-5346, Uppsala	300,000	100	-	-
Uppsala Science Park KB, 916512-8126, Uppsala	200	100	-	-
Vasakronan Blåmannen AB, 556825-9302, Stockholm	500	100	1,110	1,110
Vasakronan Stockholmsstuten AB, 556820-7798, Stockholm	500	100	611	611
Vasakronan Kaninen 30 AB, 556740-3604, Stockholm	1,000	100	196	171
Vasakronan Bassängkajen AB, 556696-1362, Stockholm	1,000	100	367	367
Fastighets Aktiebolaget Telefonfabriken, 556577-4535, Stockholm	1,000	100	360	360
Vasakronan Inom Vallgraven 22:16 AB, 556865-4163, Stockholm	500	100	333	333

Companies in the Vasakronan AB Group	Shares/ participations ¹	Share of equity,% ²	Carrying amount in Parent Company	
			2024	2023
KB Positionen 2, 969666-7485, Stockholm	1,000	100	278	278
RTB Reval KB, 969635-4886, Stockholm	200	100	-	-
Gotic AB, 556339-0839, Stockholm	1,000	100	251	251
Agilia Förvaltnings AB, 556651-1852, Stockholm	1,000	100	-	-
KB Inom Vallgraven 22:15 Göteborg, 916445-7039, Stockholm	200	100	-	-
Arkaden Göteborg KB, 969646-3448, Stockholm	200	100	-	-
Allmänna Pensionsfondens Fastighets nr 53 KB, 969646-3836, Stockholm	200	100	-	-
Fastighets AB Skjutsgossen nr 8 & Co KB, 916502-7971, Stockholm	105	100	-	-
Nisseshus Nr 1 HB, 916587-3424, Stockholm	-	100	-	-
Allmänna Pensionsfondens Fastighets nr 63 KB, 969646-7522, Stockholm	200	100	-	-
Förvaltningsbolaget Alvikshus HB, 916501-8004, Stockholm	-	100	-	-
Fastighetsbolaget Brödtorget & Co KB, 989200-4418, Stockholm	100	100	-	-
Allmänna Pensionsfondens Fastighets nr 12 KB, 969646-4016, Stockholm	200	100	-	-
Vasakronan Bredbandet 1 AB, 559016-1427, Stockholm	500	100	-	-
Vasakronan Härddisken 1 AB, 559347-9974, Stockholm	500	100	-	-
Vasakronan Nordstaden 10:20 AB, 556865-4205, Stockholm	500	100	214	214
Fastighets Aktiebolaget Bodega, 556031-4246, Stockholm	3,000	100	215	215
Fastighets AB Gesimsen, 556482-7318, Stockholm	1,000	100	-	-
KB Radio Östra, 916625-7007, Stockholm	1,000	100	-	-
Vasakronan Kaninen 32 AB, 556740-3612, Stockholm	1,000	100	173	173
AB Studentskrapan, 556611-6868, Stockholm	1,000	100	171	171
Position Stockholm AB, 556577-3818, Stockholm	1,000	100	158	158
Vasakronan Värtan Exploatering AB, 556984-3963, Stockholm	500	100	-	-
Vasakronan Stapelbädden 3 AB, 556740-2614, Stockholm	500	100	151	151
Vasakronan Magasinet 1 AB, 556692-9146, Stockholm	1,000	100	151	151
Vasakronan Inom Vallgraven 20:14 AB, 556865-4361, Stockholm	500	100	135	135

1) Pertains to the Group's total number of shares and participations.

2) Pertains to the Group's total share of equity.

Companies in the Vasakronan AB Group	Shares/ participations ¹	Share of equity,% ²	Carrying amount in Parent Company	
			2024	2023
Vasakronan Heden 22:19 AB, 556859-5291, Stockholm	500	100	114	114
AP Fastigheter AB, 556417-5858, Stockholm	100,000	100	382	322
Vasakronan Magasin X AB, 559016-1450, Stockholm	500	100	-	-
Vasakronan SthlmHUB AB, 559105-8069, Stockholm	500	100	-	-
Vasakronan Nordstaden 21:1 AB, 556875-2918, Stockholm	500	100	90	90
Vasakronan Jungmannen 1 AB, 556646-7089, Stockholm	1,000	100	75	75
Allmänna Pensionsfondens Fastighets AB, 556355-6835, Stockholm	500	100	60	60
Vasakronan Starkströmmarna AB, 556771-7920, Stockholm	1,000	100	3	37
Allmänna Pensionsfondens Fastighets nr 59 KB, 969646-4032, Stockholm	200	100	-	-
Vasakronan Starkströmmen 4 AB, 559347-9982, Stockholm	500	100	-	-
Nacka Strand Förvaltnings Aktiefbolag, 556034-9150, Stockholm	500	100	0	0
Vasakronan Invest AB	500	100	4	-5
Beyond Us AB, 559016-1559, Stockholm	500	100	-	-
Total			37,624	37,564

1) Pertains to the Group's total number of shares and participations.

2) Pertains to the Group's total share of equity.

7.2 Participations in associates and joint ventures

Shares and participations in joint ventures	Group		Parent Company	
	2024	2023	2024	2023
Opening balance	530	711	0	0
Share of profit/loss for the year	-1	-211	0	0
Contributed capital	25	10	0	0
Reclassification of subsidiaries	0	20	0	0
Closing balance	554	530	0	0

	Corp. Reg. No.	Reg. office	Share of equity,%	Shares/ participations	Carrying amount 2024	Recognised in profit or loss	Dividends received	Carrying amount 2024	Other owners
Companies that pursue the long-term development of development rights at Järvafältet									
Järvastaden AB	556611-6884	Solna	50	500	292	29	0	262	Skanska
Ursvik Exploaterings AB	556611-6892	Stockholm	50	5,000	0	0	0	0	Bonava
Stora Ursvik KB	969679-3182	Stockholm	50	50	238	0	0	238	Bonava
Companies for property development at Värtahamnen									
Värtan Fastigheter AB	556678-0267	Stockholm	50	1,000	0	0	0	0	Fabege
Companies in PropTech development									
PropTech OS AB	559016-1245	Stockholm	49	1,025	12	-7	0	20	Klipsk and others
Hydda Holding AB	559323-5921	Stockholm	32	45,968	12	-23	0	10	Blq Invest
Total					554	-1	0	530	

7.3 Non-current receivables from joint ventures

Non-current receivables from joint ventures	Group		Parent Company	
	2024	2023	2024	2023
Opening balance	0	0	0	0
Reclassification	155	0	155	0
Closing balance	155	0	155	0

Pertains to a promissory note from Järvastaden AB.

7.4 Related parties

Related parties	Transactions
Parent Company (Vasakronan Holding AB)	No dividend was disbursed to the Parent Company in 2024.
Parent Company shareholders	The First and Third Swedish national pension funds lease premises under market terms and conditions. Vasakronan has a subscription commitment from the First, Second, Third and Fourth Swedish national pension funds that applies to commercial paper for which compensation is paid. More information is provided on page 76. At the end of 2024, the Third Swedish National Pension Fund had bond holdings in Vasakronan of SEK 325 million.
Board of Directors	Refer to Note 2.4 for details of remuneration. No Board member has participated directly or indirectly in any business transaction with Vasakronan. The Board is presented on pages 45–46.
Management Team	Refer to Note 2.4 for details of remuneration. No senior executive has participated directly or indirectly in any business transaction with Vasakronan. The management is presented on pages 47–48.
Group companies	Specified in notes 7.1 and 8.4, transactions in Note 8.1. Transactions between Group companies pertain primarily to invoicing by the Parent Company for services provided in terms of property management, rent for premises used in own operations and interest on Group balances.
Associates and joint ventures	Companies and transactions are specified in notes 7.2 and 7.3. Transactions pertain primarily to participations in companies and value transfers between the Group and companies.

Note 8 Parent Company

The Parent Company applies the same accounting policies as the Group in accordance with RFR 2, Accounting for Legal Entities. This means that the IFRS are applied together with the deviations presented in the Parent Company's accounting policies.

- The Parent Company's functional currency is Swedish krona (SEK), which is also the reporting currency for the Parent Company and the Group.
- Shares in subsidiaries are recognised using the cost method. Should the carrying amount exceed the consolidated fair value of the subsidiaries, impairment is charged to profit or loss. Investment properties are measured at fair value when calculating the consolidated value, refer to Note 4.2. Earlier impairment is reversed when it is no longer justified. Carrying amounts are tested each quarter against the subsidiaries' equity.
- Dividends are recognised when the entitlement to receive payment is considered certain.
- Income from the sale of subsidiaries is recognised when the risks and benefits associated with the holding in the subsidiary have transferred to the buyer.
- Group contributions paid to the owner Vasakronan Holding AB are treated as dividends and are recognised in equity.
- Group contributions received and paid from and to subsidiaries are recognised as profit from participations in subsidiaries in profit or loss.

8.1 Intra-Group transactions

Of the Parent Company's purchases during the financial year, 24% (23) pertained to purchases from Group companies. Intra-Group costs mainly comprised rent.

Of the Parent Company's sales during the financial year, 92% (95) pertained to sales to Group companies. Intra-Group revenue comprises the property management costs invoiced by the Parent Company to the property-owning Group companies.

8.2 Profit from participations in subsidiaries

Profit from participations in subsidiaries	Parent Company	
	2024	2023
Group contributions received and paid	1,534	868
Dividends received from subsidiaries	2,796	6,549
Impairment and reversal of impairment in participations in subsidiaries	60	-23
Total	4,390	7,394

8.3 Appropriations and untaxed reserves

	Parent Company	
	2024	2023
Appropriations and untaxed reserves		
Appropriations		
Provisions to/reversal from the tax allocation reserve	0	0
Total	0	0
Untaxed reserves		
Tax allocation reserve, 2019 fiscal year	300	300
Tax allocation reserve, 2020 fiscal year	200	200
Tax allocation reserve, 2021 fiscal year	280	280
Tax allocation reserve, 2022 fiscal year	200	200
Tax allocation reserve, 2023 fiscal year	142	142
Total	1,122	1,122

8.4 Non-current receivables and liabilities with subsidiaries

	Parent Company	
	2024	2023
Non-current receivables, subsidiaries		
Opening balance	50,469	50,469
New lending	870	0
Closing cost/carrying amount	51,339	50,469
Non-current liabilities, subsidiaries		
Opening balance	712	712
Closing cost/carrying amount	712	712

Non-current receivables and liabilities with subsidiaries pertain to promissory notes carrying interest at market rates.

Note 9 Proposed appropriation of profits

The following profit is at the disposal of the AGM:

Retained earnings	SEK 25,371,005,922
Profit for the year	SEK 3,869,560,308
Total	SEK 29,240,566,230

The Board proposes that the earnings be appropriated as follows:

Dividend to shareholders, SEK 50 per share	SEK 2,000,000,000
To be carried forward	SEK 27,240,566,230
Total	SEK 29,240,566,230

Note 10 Events after the balance-sheet date

No significant events have occurred after the balance-sheet date that impact the assessment of Vasakronan's financial position.



Board of Directors' signatures

The Board and CEO affirm that the annual accounts have been prepared in accordance with the Annual Accounts Act and RFR2, and provide a fair and accurate overview of the Parent Company's financial position and results. The consolidated accounts have been prepared in accordance with the International Financial Reporting standards (IFRS) as adopted by the

EU and provide a fair and accurate overview of the Group's financial position and results. The Administration Report for the Group and Parent Company provides a fair and accurate overview of the Group and Parent Company's operations, position and results, and describes material risks and uncertainties faced by the Parent Company and the companies included in the Group.

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Vasakronan has chosen to prepare its statutory Sustainability Report separately from its Administration Report. The Board and CEO also affirm that Vasakronan's 2024 Sustainability Report has been prepared in accordance with the Annual Accounts Act and the GRI standards as issued by the Global Reporting Initiative.

Stockholm, March 25, 2025

Ulrika Francke
Chairman of the Board

Ann-Sofi Danielsson
Board Member

Niklas Ekvall
Board Member

Eva Halvarsson
Board Member

Staffan Hansén
Board Member

Kristin Magnusson Bernard
Board Member

Magnus Meyer
Board Member

Kia Orback Pettersson
Board Member

Johanna Skogestig
Chief Executive Officer

Our Auditor's Report was submitted on 26 March 2025
KPMG AB

Johanna Hagström Jerkeryd
*Authorised Public Accountant,
Auditor in Charge*

Auditor's report

To the general meeting of the shareholders of Vasakronan AB (publ), corp. id 556061-4603

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Vasakronan AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 5–34 and 49–84 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 35–48. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and balance sheet for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Matter

The audit of the annual accounts for year 2023 was performed by another auditor who submitted an auditor's report dated 21 March 2024, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties

See disclosure 4.2 and accounting principles on page 68 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Investment properties are reported in the consolidated accounts at fair value. The fair value of the properties has been determined based on valuations performed by independent external valuers. Given the investment properties' significant share of the Group's total assets and the element of assessments included in the valuation process, this constitutes a key audit matter in our audit. The risk is that the book value of investment properties may be over estimated or underestimated and that any adjustment of the value directly affects the profit for the period.

Response in the audit

We have considered whether the applied valuation methodology is reasonable by comparing it with our experience of how other real estate companies and valuers work and what assumptions are normal when valuing comparable objects.

We have assessed the competence and independence of the external valuers and we have reviewed the valuers' assignment agreements in order to assess whether there are contractual terms that may affect the scope or direction of the external valuers' assignments.

We have tested a sample of the prepared property valuations on a random basis. In doing so, we have used current market data from external sources, especially regarding assumptions about yield requirements, discount rates, rental levels and vacancies.

We have checked the accuracy of the information about the investment properties that the company provides in the annual report, especially with regard to elements of assessments and applied key assumptions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-4 and 90-149. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Vasakronan AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed

appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 35-48 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an

audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Vasakronan AB (publ) by the general meeting of the shareholders on the 24 April 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2024.

Stockholm, March 26 2025

KPMG AB

Johanna Hagström Jerkeryd

Authorized Public Accountant

EU Taxonomy Regulation

The Taxonomy Regulation (the "Taxonomy") is part of the EU Action Plan: Financing Sustainable Growth. The aim is to create a common classification system for defining economic activities that are to be considered environmentally sustainable. For an economic activity to be classified as environmentally sustainable, it must make a substantial contribution to one or more of the Taxonomy's six environmental objectives, do no significant harm (DNSH) to the other objectives and comply with the Taxonomy's minimum safeguards in sustainability.

Vasakronan is currently not subject to the reporting requirement under the Taxonomy Regulation. The company has nevertheless opted to voluntarily report parts of it since many stakeholders request that information and it also helps promote greater transparency and comparability within the sector.

The main activity that pertains to Vasakronan is 7.7 Acquisition and ownership of buildings. A total of 98 per cent of the company's market value is derived from this activity. For this reason, and due to some prevailing uncertainty primarily concerning how to interpret the DNSH criteria for activities 7.1 Construction of new buildings and 7.2 Renovation of existing buildings, Vasakronan has chosen to report only on activity 7.7 in the 2024 report.

1 We contribute significantly to Environmental Objective 1. Climate change mitigation (CCM).	2 For the other five environmental objectives, we meet the criteria for do no significant harm (DNSH).	3 We meet the Taxonomy's minimum safeguards requirements.
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Vasakronan has economic activities in the following categories:

- | | |
|--|--|
| 3.1/7.1 Construction of new buildings | 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings |
| 3.2/7.2 Renovation of existing buildings | 7.6 Installation, maintenance and repair of renewable energy technologies |
| 4.1 Electricity generation using solar photovoltaic technology | 7.7 Acquisition and ownership of buildings |
| 6.13 Infrastructure for personal mobility, cycle logistics | 9.3 Professional services related to energy performance of buildings |
| 7.3 Installation, maintenance and repair of energy efficiency equipment | |
| 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | |

Substantial contribution criteria for environmental objective 1: Climate change mitigation

Under the Taxonomy Regulation, a sustainable economic activity must make a substantial contribution to one or more of the Taxonomy’s six environmental objectives. Vasakronan’s assessment is that its operations primarily contribute to environmental objective 1: Climate change mitigation (CCM). The technical screening criteria for the economic activity are analysed to determine to which extent the company’s activities meet the requirements of environmental objective 1. The technical screening criteria for economic activity 7.7 specify that a building must have a valid energy performance certificate with at least class A, or belong to the 15% most energy-efficient buildings in Sweden. To determine which buildings meet the requirements, Vasakronan uses the Swedish Property Federation’s thresholds published in December 2022. Vasakronan considers a building to have met the requirements of environmental objective 1 if the building has a valid energy performance certificate with a primary energy demand below the threshold for the building’s principal activity. For more information about the buildings’ primary energy demand at the end of the year, refer to the list of properties on the company’s website. Vasakronan has no buildings under its management that were constructed after 31 December 2020. Automated building management systems and energy consumption monitoring systems are installed in all buildings.

Analysis of outcomes

100% of Vasakronan’s turnover is Taxonomy-eligible. 100% of OpEx is Taxonomy-eligible. 98% of CapEx is Taxonomy-eligible.

58% (43) of the company’s turnover in category 7.7 is Taxonomy-aligned. 37% (34) of the company’s CapEx is aligned and 48% (33) of the company’s OpEx is also aligned.

Based on the market value at the end of period, 60% (45) of investment properties is aligned with the criteria for activity 7.7 and 2024 is the second year that Vasakronan reports under the Taxonomy for this activity.

Energy-enhancement projects were completed at many buildings during the year. Afterward, many of them met the threshold to be ranked among the top 15% of buildings in Sweden. This has helped increase the percentages of turnover, CapEx and OpEx that are Taxonomy-aligned in 2024. Vasakronan is striving to further increase the percentage of buildings aligned with the screening criteria for activity 7.7 and other activities covered by the Taxonomy. The assessment is that the proportion will gradually increase in the future. Substantial resources are invested in reducing energy consumption.

Do no significant harm criteria: DNSH

For an economic activity to be considered Taxonomy-aligned, the activity is also subject to the requirement that it does no significant harm to any of the other environmental objectives. Currently for activity 7.7, there are DNSH requirements for environmental objective 2: Climate change adaptation (CCA). For an activity under 7.7 to qualify under the screening criteria for environmental objective 2, a climate risk and vulnerability assessment needs to be performed to identify the main climate risks and possible adaptation solutions. Vasakronan conducted its first climate risk assessment more than ten years ago and since then, has updated the assessments whenever new climate data has come available.

In 2023, Vasakronan analysed how the property portfolio is affected by climate change. First, an exposure analysis was performed for the majority of the buildings in the property portfolio, whereby climate risks were analysed based on the geographical location of the buildings.

The selection of climate indicators is based on the classification set out in the Taxonomy Regulation as well as on their relevance in terms of the impact on buildings in the geographical area in question. The indicators deemed relevant to study comprise:

- Flooding due to torrential rain, high flows/levels in watercourses, lakes and seas.
- Soil instability due to climate change.
- Changes in temperature.

Vasakronan has chosen to base the analysis on the UN's Intergovernmental Panel on Climate Change's (IPCC) respective development scenarios RCP 4.5 and RCP 8.5. These future scenarios represent, respectively, a limited and a high level of human impact on the climate through GHG emissions. To the extent possible, the existing maps used for the analysis have been related to the RCP scenarios. Existing maps and data from expert government agencies such as the Swedish Meteorological and Hydrological Institute (SMHI), the Swedish Civil Contingencies Agency (MSB), the Geological Survey of Sweden (SGU) and the Swedish Geotechnical Institute (SGI), as well as from municipalities and county administrative boards, are used to assess which of Vasakronan's properties may be exposed to the effects of climate change. The maps include various climate indicators that describe changes in the climate. Vasakronan considers a building to have met the requirements of environmental objective 2 if the building has a climate risk analysis and an action plan.

Minimum Safeguards

Vasakronan also needs to ensure that its operations are conducted in accordance with minimum safeguards. This means that the company has procedures in place to ensure that its operations are conducted pursuant to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Vasakronan has systems, procedures and processes in place to ensure that the company operates its own business in line with the minimum safeguards and has for many years imposed similar requirements on all suppliers. Work is underway to further develop the company's competence, governance and compliance to ensure social responsibility throughout the value chain, by, for example, ensuring that conditions are also met in the extraction of raw materials for the production of building materials.

Meeting the EU Taxonomy's minimum safeguards requires that companies implement processes addressing human rights, taxation, anti-corruption and fair competition. The minimum safeguards also require companies to have due diligence processes for human rights. Vasakronan has policy documents and processes in place to comply with human rights due diligence and the EU Taxonomy's process require-

ments, in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Fiscal responsibility and compliance are important areas of review for Vasakronan, with adequate strategies and processes in place to manage tax risks. Vasakronan's guidelines and instructions for tax management are used as the basis for governance in this area.

Vasakronan has zero tolerance for corruption and bribery, as stated in the codes of conduct, procurement policy, anti-corruption policy and privacy policy. A whistle-blower function has also been set up to ensure that cases can be reported. Vasakronan's steering group for internal control has established activities and internal controls for monitoring governance and processes. Vasakronan regularly conducts activities aimed at increasing employee awareness of their responsibilities.

To promote fair competition, Vasakronan promotes raised employee awareness of the importance of complying with applicable competition laws and regulations. This has been stipulated in the codes of conduct for employees and suppliers and the procurement policy. Vasakronan regularly offers training in this area for employees.

Vasakronan has not had any convictions for violations of human rights. Nor has it had any convictions having to do with its working methods, taxation, corruption or competition.

Reporting policies

The accounting principles underlying the outcomes presented in the table follow the principles that apply for the company’s financial reporting. For full tables on turnover, CapEx and OpEx, see pages 144–147.

Turnover

Turnover includes total rental revenue with regard to activity 7.7 and follows the definition of turnover provided in the EU directive (2013/34/EU) on annual financial statements, consolidated financial statements and related reports of certain types of undertakings. The allocation of turnover for activity 7.7 has been conducted at a property level. Refer to Note 2.2 on page 60 for more information.

CapEx

Capital expenditure (CapEx) in the table is based on the same definitions from the IFRS Accounting Standards and includes new construction, extensions and redevelopments, other value-generating investments and property acquisitions. Vasakronan does not apply a CapEx plan. For more information about which accounting principles are applied for CapEx, refer to Note 4.2 on pages 68–71.

OpEx

Operating expenditure (OpEx) includes costs for repairs and maintenance, meaning costs associated with the properties’ continuous and intended function. Refer to Note 2.3 on page 60 for more information.

Summary of Taxonomy-eligible and Taxonomy-aligned 7.7 activities, 2024

%	Eligible	Aligned
Turnover	100	58
CapEx	98	37
OpEx	100	48

Adjusted KPIs for green financing

To avoid double counting, non-financial companies that issue green debt instruments aimed at financing specifically identified Taxonomy-aligned activities must report adjusted KPIs. Although Vasakronan does not issue EU green bonds, its Green Finance Framework is based on the EU Taxonomy. This facilitates an assessment of the percentage of turnover, OpEx and CapEx from Taxonomy-aligned activities that is funded by green debt instruments. At the end of the period, the volume of Vasakronan’s green bonds and green commercial paper totalled SEK 52,064 million, which corresponds to 49% of the assets Taxonomy-aligned with the criteria for activity 7.7 Acquisition and ownership of buildings. In the table below, this percentage has been excluded from the numerator when calculating Taxonomy-alignment.

Taxonomy-aligned 7.7 activities – adjusted for green financing

%	Alignment, %
Turnover	30
CapEx	19
OpEx	24



Sustainability Report

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GRI index

Sustainability targets

Sustainability notes

– Financial responsibility

– Environmental responsibility

– Social responsibility

Auditor's limited assurance report on the Sustainability Report

Shown in the image:

Sergelhusen, Stockholm

One of Vasakronan's objectives is to increase biodiversity around its properties. Roofs and terraces with plantings contribute habitats for pollinating insects and other animals as well as help to clean air and regulate the climate in our cities. It also boosts people's well-being.



About Vasakronan's Sustainability Report 2024

This Sustainability Report follows the Global Reporting Initiative (GRI) guidelines and is prepared in accordance with the GRI Universal Standards 2021. In addition to the GRI Universal Standards, Vasakronan has chosen to recognise the sector-specific Construction and Real Estate (CRE) indicators that were previously recognised in accordance with GRI G4. Part of the mandatory GRI information can be found in the Annual Report, while others are part of the sustainability notes. The locations of the respective information are presented in the GRI index on pages 104–106.

The Sustainability Report is compiled on a yearly basis and 2024 is the sixteenth consecutive year of publication. The most recently published report, for 2023, was published in March 2024. No material errors have been identified in the 2023 Sustainability Report.

The report is reviewed in summary by KPMG, and their Limited Assurance Report can be found on page 143. The Sustainability Report covers the Parent Company and all wholly owned subsidiaries. Joint venture companies co-owned by Vasakronan are not covered, and are not considered to constitute a significant part of operations.





Statutory Sustainability Report

The Sustainability Report has been prepared pursuant to the provisions in the Swedish Annual Accounts Act Chapter 6 Section 11 and encompasses pages 95–142, except for the description of the company’s business model on pages 13–14 and information on risk management on pages 31–34.

Governance

Planning, governance and monitoring of sustainability efforts follow the company’s organisational structure, with a clear delegation of responsibilities and authorisations. Sustainability work is governed by policies, guidelines, overall and broken-down measurable targets and detailed action plans. Sustainability work is also governed by guidelines and regulations, and guided by voluntary commitments and frameworks such as the UN Sustainable Development Goals (SDGs).

The annual business planning creates clear, well-supported plans for how operations are to be pursued in all sections of the company. The plans formulate both short- and long-term financial, environmental and social targets. The business plan is thereafter monitored continually during the year. For more information about how operations is governed, see pages 35–48 and 111–142.

Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)

For the 2024 Sustainability Report, Vasakronan has chosen to continue reporting in accordance with the GRI standards, in the same format as previous years. Vasakronan conducted a double materiality assessment according to the ESRS criteria in 2023. This formed the starting point for the preparation of a sustainability report pursuant to the new legal requirements (CSRD). In parallel with the preparation of the 2024 Sustainability Report, Vasakronan is preparing a sustainability report aligned with the CSRD and ESRS requirements. Vasakronan gained many insights during the year with regard to internal control and data quality as well as the importance of correct allocation of responsibility for sustainability reporting within the organisation. For further lessons learned in 2024, see the respective indicator on pages 112–143.

The UN SDGs

Sustainable development is defined by the UN as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” In September 2015, UN member countries adopted the 2030 Agenda for Sustainable Development, a universal agenda with 17 goals for economically, socially and environ-

mentally sustainable development. The purpose of the goals is to address poverty, peace and justice as well as inequality, and to solve the climate crisis and other urgent environmental issues by 2030. Even if the goals are set on an international level, it is important to analyse how Vasakronan can contribute to reaching the goals and if there is any aspect of our operations that complicates or hinders the goals from being met on a global level. Operations are assessed as having the largest impact on Goal 7 “Affordable and clean energy,” Goal 9 “Industry, innovation and infrastructure,” Goal 11 “Sustainable cities and communities” and Goal 12 “Responsible consumption and production.” Through the positive impact that the company has on these goals, our operations also contribute to reaching Goal 13, “Climate Action.”

The challenges identified in operations connected to the 2030 Agenda goals include Goal 8 “Decent work and economic growth.” This goal is primarily linked to the risk of work-related accidents and hazardous working conditions among Vasakronan’s suppliers, including at Vasakronan’s construction sites. For more detailed information and which goals are relevant to the operations, see pages 111–142.

Contact person for the Sustainability Report:
Anna Denell, *Chief Sustainability Officer (CSO)*.
E-mail address: anna.denell@vasakronan.se

Stakeholder dialogues

Vasakronan liaises continuously with the company’s key stakeholders to understand which sustainability matters are most important to them in their relationship with Vasakronan.

A brief summary of stakeholders’ sustainability expectations follows below.

Vasakronan’s ambition	Expectations	Dialogue opportunities	Vasakronan’s ambition	Expectations	Dialogue opportunities
<p>Tenants</p> <p><i>We aim to be the preferred choice for tenants looking for office or retail premises.</i></p>	<ul style="list-style-type: none"> Long-term business relationship that offers premises in attractive locations that provide good service and a good work environment. Collaboration aimed at minimising negative environmental impact. Low energy consumption in the buildings. Taxonomy-aligned buildings. Safety and security in and around properties. Support biodiversity and a welcoming outdoor environment. 	<ul style="list-style-type: none"> Customer meetings. Customer satisfaction survey. Customer service and ongoing dialogues regarding property management. Theme lectures. 	<p>Employees</p> <p><i>We aim to be an employer that attracts skilled employees and new talents.</i></p>	<ul style="list-style-type: none"> Responsible and ethical business practices. Stable, long-term employer that offers good employment terms. Good work environment. Engagement in local communities. 	<ul style="list-style-type: none"> Employee dialogue meetings. Employee surveys. Workshops. Business planning.
<p>Suppliers</p> <p><i>We set requirements for and review our suppliers to jointly contribute to sustainable collaboration.</i></p>	<ul style="list-style-type: none"> Circular material use and selection. Stringent requirements concerning working conditions and work environment. Only suppliers who live up to these expectations are permitted. Collaboration for greater sustainability. 	<ul style="list-style-type: none"> During procurement processes for framework agreements, when placing orders and in meetings with suppliers. Regular reviews/audits. Contract meetings. Site visits. 	<p>Communities</p> <p><i>We aim to actively contribute to society by collaborating with public and private organisations.</i></p>	<ul style="list-style-type: none"> Promote more ecosystem services in the planning phase and in the operations. Circular material use and selection. Reduce transportation and emissions. Safety and security in and around properties. Diversity throughout the entire value chain/contributing to integration. Support biodiversity. 	<ul style="list-style-type: none"> Attending and participating in meetings with stakeholders and industry organisations as well as other forums Network meetings.
<p>Lenders</p> <p><i>We aim to always have access to financing on favourable terms and with low risk.</i></p>	<ul style="list-style-type: none"> Long-term and stable financial management. High customer satisfaction. Climate change adaptation of buildings. Low energy consumption in the buildings. Taxonomy-aligned buildings. 	<ul style="list-style-type: none"> Individual meetings with banks and investors in the capital market. Financial statements. Capital market and investor presentations. 	<p>Owners</p> <p><i>We aim to generate high returns for our owners, but never at the expense of people, the environment or society.</i></p>	<ul style="list-style-type: none"> A high and stable, long-term return where consideration is given to people, ethics and the environment. Transparent reporting. Diversity throughout the entire value chain/ contributing to integration in society. Support biodiversity. 	<ul style="list-style-type: none"> Board meetings, of which one each year is a strategy meeting. Meeting with owner representatives for specific discussions on corporate governance.

Stakeholder expectations

Vasakronan’s stakeholders have previously been defined as tenants, suppliers, lenders, employees, public and private sector organisations, and owners.

Surveying and understanding stakeholder expectations and how they are affected by Vasakronan’s operations is a prerequisite for creating sustainable value. Vasakronan maintains ongoing dialogues with stakeholders through meetings,

interviews and questionnaires. Moreover, in-depth interviews have been held with stakeholders every few years.

As part of preparation to report in compliance with the new European Sustainability Reporting Standards (ESRS), a double materiality assessment was performed in autumn 2023. It is based on an in-depth stakeholder dialogue aimed at identifying Vasakronan’s impact on its operating environment,

as well as the risks and opportunities entailed by sustainability matters in terms of Vasakronan’s financial position. Stakeholder dialogues consisted of eleven interviews with relevant individuals internal to Vasakronan, as well as external individuals including tenants, city planners and trade unions.

Some industry initiatives and partnerships

Over the years, Vasakronan has taken several initiatives to move ourselves and the industry onwards and upwards. Everything

has been based on our assignment and aimed at achieving our ambitious targets and vision.



SWEDEN GREEN BUILDING COUNCIL

Founder of Sweden Green Building Council (SGBC), a membership organisation for sustainable construction.



Together with the City of Stockholm, Ragn-Sells and Bring, we started the #Älskarestad (Beloved city) initiative to coordinate deliveries and waste shipments.



One of the founders of Håll Nollan, a collaboration for zero accidents in the construction industry.



Co-founder of the Centrum för AMP, a knowledge centre for developing neighbourhoods and a model for increasing safety in Swedish cities.



Centrum för CIRKULÄRT BYGGGANDE

One of the founders of Centrum för Cirkulärt byggande (CCBuild), with the aim of increasing reuse and material recycling in the construction industry.



Co-founder of Universal Design of Workplaces (UUA). The goal was to design a model for how modern workplaces can successfully accommodate everyone.



One of the founders of Byggvarubedömningen, the building materials assessment system, which assesses and provides information about construction materials to encourage development towards a non-toxic and healthy built environment.



Active member of LFM30 (a local roadmap for a climate-neutral construction sector in Malmö, 2030), the Uppsala Climate Protocol, Klimatarena Stockholm and Klimatneutralt byggande Göteborg.

Double materiality assessment

In autumn 2023, Vasakronan conducted a double materiality assessment. The objective was to identify the company's material sustainability matters as part of driving Vasakronan's sustainability agenda forward. To prepare the company for the CSRD, the new EU legal requirements, the double materiality assessment was performed based on the requirements of the ESRS, which are in line with the GRI Universal Standards for assessment of impact materiality.

Desktop analysis

A desktop analysis was conducted to identify Vasakronan's actual and potential impacts on people and the environment as well as the risks and opportunities that sustainability matters have for the company's financial position. It was based on the industry Vasakronan operates in as well as the upstream and downstream value chains. The analysis is based on a review of internal documentation and several external sources, for





example industry reports. All sub-topics and sub-sub-topics in ESRS 1 Appendix A have been considered in the assessment of impacts, risks and opportunities. In parallel, other impacts, risks and opportunities were identified that might be outside the list in ESRS 1 Appendix A. An in-depth stakeholder dialogue was conducted with internal and external stakeholders in conjunction with the desktop analysis.

Mapping and assessment

The mapping from the desktop analysis and stakeholder dialogues resulted in a gross list of Vasakronan's positive and negative impacts, together with financial risks and opportunities. All impacts were also considered based on the risks and opportunities that can arise from them. With the help of stakeholder dialogues, the gross list generated a net list of impacts, risks and opportunities. Negative and positive impacts were analysed separately. The materiality of negative impacts was informed by the severity of the impact, which is a combination of scale, scope (who are affected) and irremediable character. The materiality of positive impacts was informed by the severity of the impact, which is a combination of scale and scope. Likelihood was also taken into consideration for nega-

tive as well as positive impacts. The materiality of financial risks and opportunities was informed based on a combination of likelihood and the potential scope of the financial effects. For all identified impacts, risks and opportunities are also assessed by their time horizon: short, medium, or long term.

Thresholds

A severity rating from 1 to 15 was used when assessing negative impacts. Negative impacts assessed with a severity of 10 or higher together with a likelihood of 4 or 5 (out of 5) were considered to be above the threshold. For matters pertaining to human rights, severity has been prioritised over likelihood, in line with the ESRS. A severity rating from 1 to 10 was used when assessing positive impacts. Positive impacts assessed with a degree of impact of 6 or higher together with a likelihood of 4 or 5 (out of 5) were considered to be above the threshold. Vasakronan's risk methodology – low, moderate, high – was used to assess financial risks and opportunities both for financial effect and for likelihood. The risks and opportunities with a high financial effect together with high likelihood were considered to be above the threshold. Impacts, risks and opportunities assessed as being above the threshold

were considered material for Vasakronan. The assessment is available on pages 101–103.

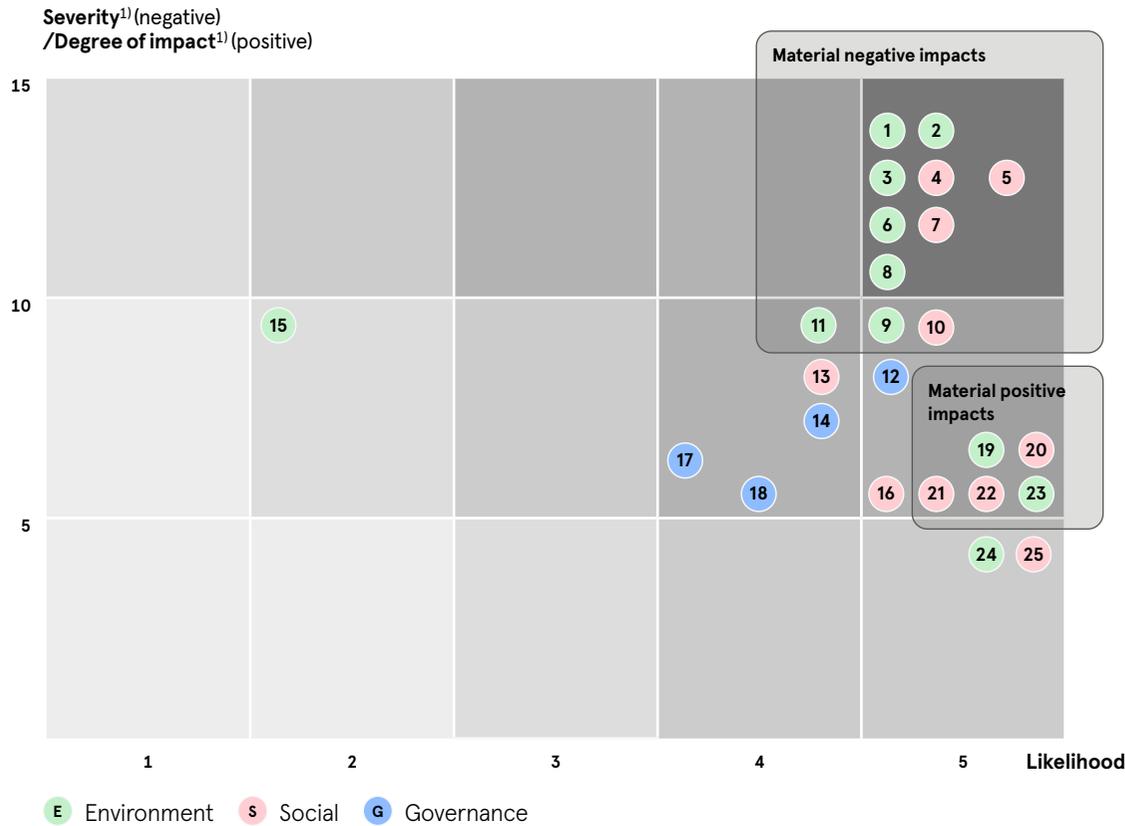
Revisions in 2024

During the year, Vasakronan revisited the double materiality assessment performed in 2023. It was clear from the review that while no major adjustments to the double materiality assessment were necessary, a few minor adjustments did need to take place. The materiality of a positive impact on biodiversity was reassessed and is now above the materiality threshold. A negative impact within affected communities was reassessed and is not considered material. However, a possible negative impact on employees was identified as material. An additional risk and an opportunity were identified in relation to circular economy. These minor adjustments did not result in any changes to Vasakronan's material sustainability areas.

Assessment of severity and likelihood of impacts, net list

The mitigating actions already implemented by Vasakronan were not taken into account when assessing severity/degree of impact and likelihood.

Read more about mitigating actions in the sustainability notes on pages 111–142.



¹⁾ Severity is based on a combination of scale, scope and irremediable character for negative impacts. The degree of impact for positive impacts is based on scale and scope.

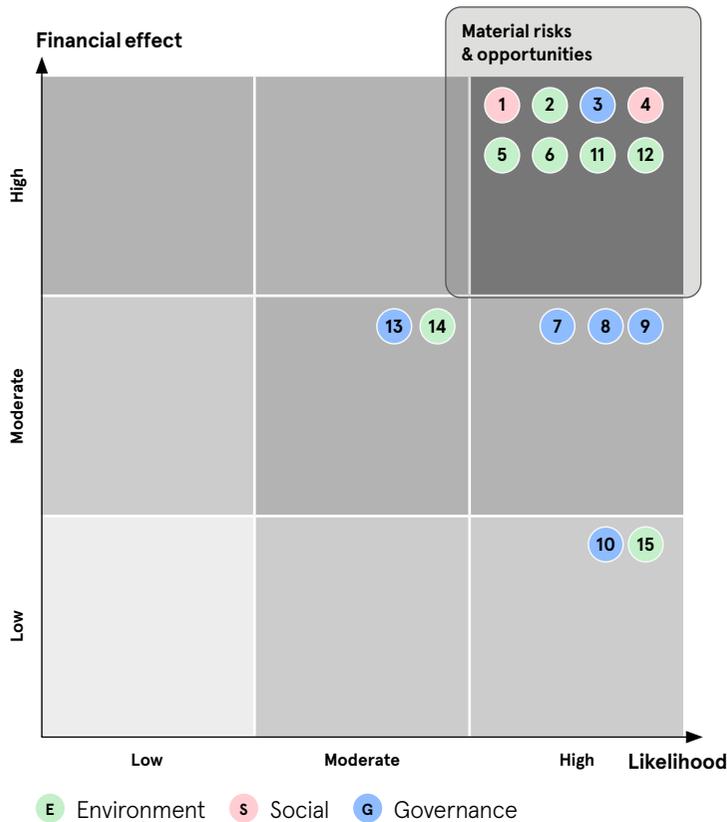
- Negative impacts**
- 1 Energy consumption
 - 2 GHG emissions, scopes 1, 2, 3
 - 3 Exploitation of natural resources
 - 4 Vulnerable groups
 - 5 Human rights violations in the supply chain
 - 6 Waste generation
 - 7 Health and well-being in the supply chain
 - 8 Water consumption
 - 9 Material selection
 - 10 Stress and excessive workload demands
 - 11 Disruptions, pollution and hazardous substances
 - 12 Processing of personal data
 - 13 Negative impact on local communities in the supply chain
 - 14 Managing supplier relationships
 - 15 Land degradation and alteration
 - 16 Impact on people around construction projects
 - 17 Corporate culture
 - 18 Corruption and bribery

- Positive impacts**
- 19 Climate-smart properties
 - 20 Safe and thriving society
 - 21 Employee, tenant and customer well-being
 - 22 Inclusion and safety for everyone
 - 23 Protection and restoration of biodiversity and ecosystems
 - 24 Water consumption
 - 25 Skills development

Assessment of financial effect and likelihood on sustainability-related risks and opportunities, net list

The mitigating actions already implemented by Vasakronan were not taken into account when assessing the financial impact and likelihood.

Read more about mitigating actions in the sustainability notes on pages 111–142.



Risks

- 1 Health and safety at or around construction sites
- 2 Physical risks and climate change adaptation
- 3 Corruption risks in the value chain
- 4 Human rights violations in the value chain
- 5 Inability to meet customer requirements linked to energy performance
- 6 Non-circular new construction
- 7 New regulations and requirements
- 8 Lack of skills and integrated governance of sustainability matters
- 9 Dependence on suppliers and specific raw materials
- 10 Data processing

Opportunities

- 11 Energy efficiency
- 12 Financing of/demand for existing properties
- 13 Environmental certifications
- 14 Increased self-generated renewable energy
- 15 Use of recycled material



A total of ten material sustainability matters were identified for Vasakronan that were validated by the company’s Management Team. The material matters will govern the content of Vasakronan’s sustainability reporting and agenda going forward.

Many of the matters identified in the double materiality assessment are in line with previously prioritised sustainability matters.

The result of the double materiality assessment indicates two areas where clear shifts in materiality have taken place compared with previous materiality assessments, namely biodiversity and human rights.

Biodiversity

Knowledge about biodiversity and its connection to climate change has spread throughout the last decade. Vasakronan depends on construction materials, which require natural resources. It is therefore likely that there is an impact on land use and habitats upstream in the value chain.

In own operations, local construction projects impact both on land use as well as on animal life. However, this has been deemed to be of less scope and severity.

Human rights

Vasakronan’s value chain reaches countries with high risk of human rights violations. Since risks for human rights according to the ESRS are based on the affected stakeholders’ perspective, it is also natural to assign greater importance to them. Vasakronan has also highlighted migrant workers as a risk group, since human rights violations cannot be ruled out – neither upstream nor downstream in the value chain.

Vasakronan’s ten material sustainability matters

Environment (E)	Social, incl. human rights (S)	Governance (G)
<p>Biodiversity and ecosystems</p> <ul style="list-style-type: none"> - Exploitation of natural resources - Disruptions, pollution and hazardous substances + Protection and restoration of biodiversity and ecosystems 	<p>Health and well-being</p> <ul style="list-style-type: none"> - Health and well-being in the supply chain - Stress and excessive workload demands + Employee, tenant and customer well-being R Health and safety at or around construction sites 	<p>Anti-corruption</p> <ul style="list-style-type: none"> R Corruption risks in the value chain
<p>Circularity</p> <ul style="list-style-type: none"> - Waste generation - Material selection R Non-circular new construction O Financing of/demand for existing properties 	<p>Diversity and equal opportunity</p> <ul style="list-style-type: none"> + Inclusion and safety for everyone 	
<p>Energy</p> <ul style="list-style-type: none"> - Energy consumption R Inability to meet customer requirements linked to energy performance O Energy efficiency 	<p>Human rights</p> <ul style="list-style-type: none"> - Vulnerable groups - Human rights violations in the supply chain R Human rights violations in the value chain 	
<p>Climate change</p> <ul style="list-style-type: none"> - GHG emissions (scopes 1, 2, 3) + Climate-smart properties R Physical risks and climate change adaptation 	<p>Communities</p> <ul style="list-style-type: none"> + Safe and thriving society 	
<p>Water</p> <ul style="list-style-type: none"> - Water consumption 		

Impact: + Positive - Negative Risk/opportunity: O Opportunity R Risk



GRI index

Level of application: Vasakronan reported pursuant to the GRI Standards for the period from 1 January 2024 to 31 December 2024.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI sector standards: N/A

GRI Standard	Explanation	Disclosure	Page	Requirements omitted	Reason for omission	Explanation for omission
GENERAL DISCLOSURES						
The organisation and its reporting practices						
GRI 2 2021	2-1	Organisational details		57		
	2-2	Entities included in the organisation’s sustainability reporting		57, 79–81, 95–96		
	2-3	Reporting period, frequency and contact point		95–96		
	2-4	Restatements of information		95–96		
	2-5	External assurance		143		
Activities and workers						
GRI 2 2021	2-6	Activities, value chain and other business relationships		5–6, 8–16, 98, 135, 140–141		
	2-7	Employees		138–140		
	2-8	Workers who are not employees		140		
Governance						
GRI 2 2021	2-9	Governance structure and composition		35–48		
	2-10	Nomination and selection of the highest governance body		37		
	2-11	Chair of the highest governance body		45		
	2-12	Role of the highest governance body in overseeing the management of impacts		36–42		
	2-13	Delegation of responsibility for managing impacts		39, 41		
	2-14	Role of the highest governance body in sustainability reporting		37–40		
	2-15	Conflicts of interest		39, 45–46		
	2-16	Communication of critical concerns		39, 43		
	2-17	Collective knowledge of the highest governance body		39, 45–46		
	2-18	Evaluation of the performance of the highest governance body		39		
	2-19	Remuneration policies		39–41		
2-20	Process to determine remuneration		39–41			
2-21	Annual total compensation ratio		61–62, 138			



GRI Standard	Explanation	Disclosure	Page	Requirements omitted	Reason for omission	Explanation for omission
Strategy, policies and practices						
GRI 2 2021	2-22	Statement on sustainable development strategy	12–14, Year-end report 2024, pages 2–4			
	2-23	Policy commitments	39, 42, Vasakronan.se (ESG library)			
	2-24	Embedding policy commitments	36, 42			
	2-25	Processes to remediate negative impacts	42, 111–142			
	2-26	Mechanisms for seeking advice and raising concerns	39, 118			
	2-27	Compliance with laws and regulations	42			
	2-28	Membership associations	98			
	Stakeholder engagement					
GRI 2 2021	2-29	Approach to stakeholder engagement	97–98			
	2-30	Collective bargaining agreements	138			
MATERIAL TOPICS 2021						
GRI 3 2021	3-1	Process to determine material topics	99–103			
	3-2	List of material topics	103			
	3-3	Management of material topics	111–112, 118–119, 121, 123, 125–126, 131, 134–136, 138, 140–142			

GRI Standard	Explanation	Disclosure	Page	Requirements omitted	Reason for omission	Explanation for omission
SPECIFIC DISCLOSURES						
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	111			
	201-2	Financial implications and other risks and opportunities due to climate change	112–117			
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	118			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	119–120			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	121–123			
GRI G4: Building energy intensity	CRE1	Building energy intensity	121–123			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	123–124			
	303-2	Management of water discharge-related impacts				
	303-3	Water withdrawal				
	303-5	Water consumption				



GRI Standard	Explanation	Disclosure	Page	<i>Requirements omitted</i>	<i>Reason for omission</i>	<i>Explanation for omission</i>
GRI G4: Building water intensity	CRE2	Building water intensity	123–124			
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	124–125			
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions	125–130			
	305-2	Energy indirect (scope 2) GHG emissions				
	305-3	Other indirect (scope 3) GHG emissions				
GRI G4: Greenhouse gas emissions intensity from buildings	CRE3	Greenhouse gas emissions intensity from buildings	128			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	131–133			
	306-2	Management of significant waste-related impacts				
	306-4	Waste diverted from disposal				
	306-5	Waste directed to disposal				
GRI G4: Product responsibility	CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	134			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	135			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	136–140			
	403-2	Hazard identification, risk assessment, and incident investigation				
	403-3	Occupational health services				
	403-4	Worker participation, consultation, and communication on occupational health and safety				
	403-5	Worker training on occupational health and safety				
	403-6	Promotion of worker health				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
	403-9	Work-related injuries				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	138–140			
	405-2	Ratio of basic salary and remuneration of women to men				
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	140–141			
GRI 416: Customer Health and Safety 2016	OI: 416-A	Measures taken to maintain a high level of safety and security in and around properties	141–142			

(OI: Own Indicator)

Vasakronan's sustainability targets

Environmental targets

To reduce the negative impact that Vasakronan's operations have on the environment, the company has long-term objectives in four areas: climate, energy, circularity and biodiversity. A further long-term objective, for water, will be added in 2025. Each long-term objective is assigned at least one target for the year.

LONG-TERM OBJECTIVE	Target 2024	Target fulfilment	Contribution to SDGs	Target 2025
Our entire value chain will be climate neutral by 2030.	Reduce CO ₂ emissions (Scopes 1, 2 and 3, excluding emissions from large construction projects ¹⁾) with 10% compared to 2023, kg/sq. m.	Emissions (Scopes 1, 2 and 3, excl. large projects) amounted to 11 kg/sq. m. in 2024 (13), a decrease of 16%.	CO₂ emissions, Scopes 1, 2 and 3, excl. large projects, kg/sq. m. 2024 11 2023 13 2022 10 	Reduce CO ₂ emissions (Scopes 1, 2 and 3, excluding emissions from large projects) with 10% compared with 2024, kg/sq. m.
	Large projects starting in 2024 meet the respective emission level limits of 250 and 125 kg CO ₂ e/sq. m.	No large projects were started in 2024. Read more on pages 125–130		
We are self-sufficient and do not need to purchase any energy.	Decrease purchased energy by 4%, kWh/sq. m. (R12).	At year end, energy intensity, specific energy consumption, amounted to an average of 70 kWh/sq. m. (73), down 3% on the previous year.	Specific energy consumption, kWh/sq. m. 2024 70 2023 73 2022 75 	Specific energy consumption <70 kWh/sq. m.
	More than 55% of the existing properties meet the energy requirements in the EU Taxonomy, primary energy demand.	At year end, 60% (43) of existing buildings met the EU Taxonomy energy requirements, which was an increase of 40%. Read more on pages 121–123	Buildings that meet the energy requirement, percent 2024 60 2023 43 2022 – 	

1) Board-approved construction projects with a budget >SEK 75 million.



LONG-TERM OBJECTIVE	Target 2024	Targetfulfilment	Contribution to SDGs	Target 2025
We minimise our use of fresh water.	New long-term objective for 2025.			Freshwater use ≤ 0.41 m ³ /sq. m.
100% circular use of materials.	Increase the share of reused, renewable and recycled material in large construction projects by 5%.	During the year, the share of reused, renewable and recycled material increased to 22% (10%) of total material used. This represents an increase of 116%. Read more on pages 119–120	The share of reused, renewable and recycled material in large projects 	25% of material use in projects is circular.
100% circular waste management.	At least 25% of customers use Vasakronan’s waste management service and thereby have access to their waste statistics.	At the end of the year, 25% (17) of our customers used the waste management service, which was an increase of 46%.	Customers using the waste collection service, percent 	45% of tenant waste and 50% of project waste is sent for material recycling.
	Decrease the amount of waste in leasehold improvement projects 5%.	At year end, the amount of waste amounted to 11 kg/sq. m. (16), down 31%. Read more on pages 131–133	Waste in leasehold improvements projects, kg/sq. m 	
Our entire value chain will be nature positive.	Increase biodiversity (proportion of properties with mixed plant species).	At year end, the biodiversity index was 46 (35), up 31%. Read more on pages 124–125	Biodiversity index 	Increase the biodiversity index score for our properties >46.

Social targets

Vasakronan’s operations affect thousands of people in a variety of ways. To reduce the negative impact that our operations can have, we set long-term objectives in three areas: working conditions and work environment, diversity and inclusion, and attractive areas. A further long-term objective, for anti-corruption, will be added in 2025. Each long-term objective is assigned at least one target for the year.

LONG-TERM OBJECTIVE	Target 2024	Target fulfilment	Contribution to SDGs	Target 2025
Acceptable working conditions are provided for everyone who works for Vasakronan and no people are exploited in our value chain, whether at our suppliers or at our customers.	Construction site checks in all large projects and 25 other construction projects.	During the year, construction site checks were conducted at one of three large projects and at 25 other construction projects.	<i>Historic data prior to 2024 is unavailable</i> 	In 2025, new targets will be formulated in alignment with the ESRS.
	Supplier audits/checks with at least three prioritised service suppliers.	During the year, supplier audits/checks were conducted at three prioritised service providers (two).	Supplier audits/checks, number 2024 3 2023 2 2022 - 	
	All new suppliers to be assessed, in agreements signed by the Purchasing Department.	All suppliers with whom the Purchasing Department had signed contracts were audited during the year. Read more on pages 140–141	<i>Historic data prior to 2024 is unavailable</i> 	
Everyone who works for Vasakronan is to have a good physical, organisational and social work environment free from work-related sick leave and workplace accidents.	Reduce the accident rate in large construction projects.	The accident rate, all accidents, for large projects increased to 42.1 (10.4). Read more on pages 136–137	Accident rate in large projects, per million hours worked 2024 42.1 2023 10.4 2022 26.7 	Zero serious accidents. Accident rate in large projects, LTIF <5.0 ¹

1) The rate includes accidents resulting in at least one day of absence and is calculated per million hours worked.



LONG-TERM OBJECTIVE	Target 2024	Targetfulfilment	Contribution to SDGs	Target 2025
<p>Our company and our suppliers are diverse and have an inclusive corporate culture, and help individuals who are far from employment to find employment.</p>	<p>At least 15 trainees or summer workers come from under-represented groups.</p>	<p>Of the trainees/summer workers hired during the year, 17 (17) came from under-represented groups.</p> <p>Read more on pages 138–140</p>	<p>Underrepresented groups, number</p>  <p>2024 17 2023 17 2022 -</p> <p><i>Historic data prior to 2024 is unavailable</i></p> 	<p>Inclusion index in employee survey >90.</p>
<p>Our areas and properties are aesthetically pleasing and are designed to be:</p> <ul style="list-style-type: none"> – Safe and secure 24/7. – Healthy and promote well-being. – Inclusive and safe for everyone. 	<p>Increase perceived safety in our prioritised neighbourhoods.</p>	<p>Safety measurements were performed in all seven prioritised neighbourhoods during the year and a safety index has been developed.</p> <p>Read more on pages 141–142</p>	<p><i>Historic data prior to 2024 is unavailable</i></p> 	<p>Improve safety in the prioritised neighbourhoods.</p>
<p>We are free from corruption throughout the entire value chain.</p>	<p>New long-term objective for 2025.</p>			<p>No cases of corruption at Vasakronan.</p>

Financial responsibility

201-1 Direct economic value generated and distributed

The assignment from Vasakronan’s owners is to deliver a stable, long-term return. A return that will benefit Sweden’s current and future pensioners. That is why it is important for Vasakronan to take financial responsibility for its operations and to have stable, sound finances. It is also important to be able to continue to provide work for employees and suppliers, to meet the expectations of financiers and to meet other financial expectations from stakeholders.

Boundaries

The reporting only encompasses the economic value created at Vasakronan. The value is impacted partly by factors that Vasakronan controls but also by external factors such as the state of the market and interest rates, as well as our owners’ decisions about the distribution of the dividend.

Responsibility and governance

Vasakronan’s CEO and Management Team have overall responsibility for steering operations toward the financial targets.

Tax is a statutory expense in our operations that affects the return, and at the same time it is also a responsibility issue that can impact the company’s reputation and standing. The Board of Directors has established a tax policy to ensure tax issues are managed in line with fulfilling the high yield requirement and that the company meets the requirements set for responsible action. For more information on the company’s tax policy, visit www.vasakronan.se.

Follow-up and reporting policies

The outcome is monitored and communicated on a quarterly basis in connection with interim reports and through internal steering parameters established for the operations.

Vasakronan’s operations are conducted only in Sweden. Country-by-country reporting of taxes paid is therefore not applicable. Vasakronan is not currently the subject of any tax cases. More information about taxes recognised can be found on pages 66–67.

Targets and fulfilment

The overall financial objective is a return that, in relation to risk, is greater than the return our owners could obtain from other equivalent investment alternatives. The overall financial objective is a total yield of at least 6.5% per year. In addition, the total yield must be at least 0.5 percentage points higher than the outcome for the rest of the industry, calculated as the average according to the MSCI Swedish Property Index (excluding Vasakronan). The average outcome is evaluated over rolling ten-year periods, together with monitoring and analysis of the outcome for each individual year. In addition, a number of key financial indicators are set for the coming year. These are monitored on a quarterly basis in connection with internal review and in the quarterly reports to the Board of Directors. For more information, see pages 13–14.

The economic value created during the year totalled SEK 12.3 billion (negative: 4.6) and comprised rental revenue, investments and changes in the values of properties. Detailed information can be found in the company’s financial reports on pages 50–55. The table to the right shows economic value distributed. The remaining value totalled SEK 4 billion (negative: 13.4).

Lessons learned

No additional lessons apply and no improvement measurements were identified.

Contribution to the UN SDGs

Through partnerships with different volunteer organisations and supporting their activities with donations, Vasakronan is contributing to Goal 17 and its target 17.17, “Encourage and promote effective partnerships.”

Economic value distributed

SEK m	2024	2023
Directly generated value		
Income	9,447	9,157
Value changes	444	-16,550
Investments	2,415	2,802
Directly generated value, total	12,306	-4,591
Economic value distributed		
Employees	-223	-253
Lenders	-1,989	-1,845
Public sector ¹	-2,733	-2,710
– of which property tax	-853	-820
Suppliers	-3,396	-3,953
Owners	0	0
Contribution to society ²	-1	-1
Total value distributed	-8,342	-8,762
Economic value retained	3,964	-13,353

1) The “Public sector” item includes property tax, ground rent, VAT, taxes paid and social security expenses.

2) The two largest contributions in 2024 were made to Löparakademin and Mitt Liv, totalling SEK 850,000.

201-2 Financial implications and other risks and opportunities due to climate change

Climate change is one of the most pressing challenges of our time and entails primarily risks but also opportunities for operations. It is clear that a comprehensive transition in society is necessary for slowing climate change, which could affect the company's financial position. This is in the form of higher costs due to regulatory changes as well as opportunities connected to changes in customer behaviour and financing opportunities. Physical climate change could also have a significant impact on the company's assets and thereby its financial position.

Work to identify and manage physical climate change risks that impact the company's property portfolio has been ongoing during the last few years. Properties are continuously evaluated in terms of technical performance and improvements are planned in conjunction with regular maintenance and renovations. Development projects ensure that the design and planning of properties takes into account the needs of today and of the coming decades.

In addition to the physical risks for the existing property portfolio, the company has also identified one physical risk that could have a major indirect impact on the company. That is the risk of extreme weather events, which can impact various types of energy, causing higher and even more volatile energy prices.

More than ten years ago, Vasakronan identified climate change as an important operating environment factor. Accordingly, comprehensive efforts have already been made to reduce many transition risks. The company has already significantly reduced carbon emissions from property management. Efforts to reduce emissions from construction project operations began a few years ago, and include greater use of wood as a building material. Only using renewable energy, increasing the share of self-generated electricity and improving energy consumption, means GHG emissions can be reduced concurrent with reducing operating expenses.

Boundaries

The report covers the financial impact that climate change, and associated mitigation efforts, can have on Vasakronan's financial performance and position.

Responsibility and governance

The Chief Sustainability Officer is responsible for ensuring that the property portfolio and the company's other operations are analysed based on the consequences of a changed climate. Efforts to reduce the financial impact from climate-related events are delegated within the organisation. The Chief Technology Officer (CTO) is responsible for ensuring that the company's long-term maintenance plans include relevant climate adaptation measures for the entire property portfolio. The Chief Investment & Projects Officer (CIPO) is responsible for ensuring that any acquisitions and all development projects are analysed based on climate change and that any necessary actions are implemented.

To reduce the company's negative financial impact that might arise due to climate change, for more than a decade, there has been an ongoing project to, if possible, reduce climate-related risks and reduce the financial consequences if, or when, they arise. The work is governed by a plan created in 2013 with a clear prioritisation of measures within property management, transactions and project activities. Necessary climate change adaptations are included in project guidelines that are to be followed. For transaction activities, there is a checklist for climate adaptation questions.

In connection with reporting what proportion of the company's operations are EU Taxonomy-aligned, the company's properties have been examined with respect to the existence of any climate-related physical risks since this is a Do No Significant Harm (DNSH) criterion for several of the company's economic activities.

For more information about governance of efforts to reduce the company's own impact on the climate, refer to pages 125–127.

Follow-up and reporting policies

Efforts to identify, analyse, manage and follow up risks are prioritised at Vasakronan. Risk efforts involve all units in the company and follow a structured process that starts with an inventory of existing and new risks. The financial impact of climate risks and opportunities was also assessed when preparing the double materiality assessment, see pages 99–103. Indicators 305-1–3 presented on pages 125–127 of this report describe actions to reduce Vasakronan's own climate impact, and thereby reduce the risk of costly and drastic reduction measures in the future.

The reporting policies applied when assessing the financial impact of climate risks and opportunities are based in large part on own assumptions about occurrence and frequency. Vasakronan has applied two of the scenarios used to calculate future climate change, known as representative concentration pathways (RCPs), from the UN Intergovernmental Panel on Climate Change (IPCC) in the calculation examples in the tables on pages 114–117. The scenarios used in the calculations are RCP 2.6 and 8.5. The tables show the scenario applied in each calculation example.



Targets and fulfilment

Vasakronan's target to reduce its climate impact is described in this report under indicators 305-1-3, refer to pages 125-127.

The company's long-term goal pertaining to expected climate change is to minimise the negative financial impact of climate change. This will be accomplished by actively analysing the property portfolio based on relevant climate-related risks, as new climate data gradually becomes available, and implement measures in relation to the size of the financial risk. The short-term goal is to incorporate all proposed climate adaptation measures in the long-term maintenance plans for the company's properties.

From 2022 to 2023, Vasakronan conducted a new, more comprehensive analysis of climate risks at the property level. The primary physical risks identified for Vasakronan's property portfolio are torrential rain and flooding due to proximity to watercourses, longer and more frequent heat waves and changed land conditions. The results of the most recent analyses are now being integrated property by property into the processes for property management, development projects and the company's property portfolio planning. An assessment of the financial impact of climate risks and opportunities has been compiled in the tables on pages 114-117.

Lessons learned

A clear need for contingency plans for Vasakronan's properties became apparent during the year since it is likely that, from a societal perspective, they will not be considered a priority. Another lesson learned during the year is that acting quickly in response to transition risks can really pay off. As a result of being early to identify the importance of lowering building energy consumption, Vasakronan is well-prepared for the upcoming EU Energy Performance of Buildings Directive (EPBD) and has no properties with excessive energy consumption, where mandatory actions will have to be taken. Furthermore, it is already apparent that tenants prefer energy-efficient and Taxonomy-aligned buildings when choosing new premises.

Contribution to the UN SDGs

By reducing the negative impact climate change has on the company's operations, Vasakronan contributes to achieving Goal 13 and its target 13.1, "Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries" and target 13.3, "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."



Table of climate risks, opportunities and financial impact

Risk/opportunity	Financial category	Unit of measure	Financial impact	Reference
TRANSITION RISKS				
Higher energy costs due to raised taxes or other regulation. <i>(Regulatory transition risks)</i> (RCP 2.6/8.5)	Costs	The effect on energy costs and operating surplus if energy prices increase SEK 2/kWh. Calculated based on consumption in 2024. Expressed in GWh, SEK m and percentage of operating surplus.	Total energy consumption (heating, cooling and landlord controlled electricity) in the property portfolio amounted to 210 GWh (217), equivalent to approximately SEK 365 million (365). A price increase of SEK 2/kWh would entail an increased energy cost of SEK 419 million (434), the equivalent of 6% (6) of the operating surplus for 2024.	GRI 302-1, pages 121-123
	Assets /liabilities	Investment in low-carbon alternatives. Expressed in SEK m/year.	In 2024, approximately SEK 51 million (61) was invested in low-carbon alternatives to reduce energy consumption in the property portfolio.	-
Higher costs due to raised carbon taxes or other emissions regulations. <i>(Regulatory transition risks)</i> (RCP 2.6/8.5)	Costs	Increased costs equivalent to a SEK 800/ton price for scope 1 and 2 emissions, market-based and location-based. Estimate is based on the assumption that the entire cost will be charged to the buyer. Expressed in SEK m and percentage of operating surplus.	A SEK 800/ton price increase for scope 1 and 2 carbon emissions calculated using the market-based method would increase costs SEK 2 million (4), the equivalent of 0.03% (0.06) of the operating surplus for 2024. Using the location-based method, the equivalent costs would increase SEK 11 million (12), representing 0.16% (0.18) of the operating surplus.	GRI 305, pages 125-130
	Costs	Increased costs equivalent to SEK 800/ton on emissions from building materials. The estimate is based on the assumption that the entire cost of emissions for the material will be charged to the buyer. Expressed in SEK m and percentage of total project expenses for the year.	A price increase for scope 3 emissions from building materials would increase costs SEK 5.5 million (5.4), the equivalent of 0.3% (0.2) of total project expenses for 2024.	GRI 305, pages 125-130
	Costs	Climate compensation paid, expressed in KSEK/year.	From 2020, Vasakronan compensates for all reported emissions from operations. One third of the emissions generated in 2023 were compensated for in 2024 by purchasing shares in compensation projects for SEK 308,000. The remaining portion will be compensated through planting trees and contributions to research and development projects that lead to reduced emissions in the property sector.	GRI 305, pages 125-130



Risk/opportunity	Financial category	Unit of measure	Financial impact	Reference
PHYSICAL RISKS				
Properties will become permanently unusable due to rising sea levels. <i>(Chronic physical risk)</i> (RCP 8.5)	Assets	The share of properties in areas with heightened risks for permanently rising sea levels.	A survey of the property portfolio was conducted in 2020 that included rising sea levels. The result indicated that none of the properties are at risk of permanent flooding up until 2100. Therefore the assessment is that there is no risk of any major financial impact from permanently higher sea levels.	GRI 201-2, pages 112-113
Properties becoming temporarily unusable and in need of repair due to increased precipitation or other temporary flooding. <i>(Acute physical risk)</i> (RCP 8.5)	Income	Estimated loss in income in the form of rent reductions due to properties becoming temporarily unusable, such as during ongoing flooding and subsequent repair work. Based on the assumption that 5% of the property portfolio is damaged annually and that it leads to, on average, three months of lost income in the affected property portfolio. Expressed in SEK m and percentage of operating surplus.	Assuming that 5% of the property portfolio will be temporarily unusable for three months, the loss of income is estimated to amount to SEK 118 million (114), the equivalent of 1.7% (1.7) of the operating surplus.	GRI 201-2, pages 112-113
	Costs	Estimated increase in maintenance costs due to repairs and restoration needs. Assuming that 5% of the property portfolio is damaged and that it would cost SEK 3,000/sq. m. to repair.	Assuming that 5% of the property portfolio will be temporarily unusable and need to be repaired, the maintenance costs would increase SEK 360 million (359) per year, the equivalent of 5.1% (5.2) of the operating surplus.	GRI 201-2, pages 112-113
Increased energy needs (primarily cooling) due to a warmer climate. <i>(Chronic physical risk)</i> (RCP 8.5)	Costs	Estimated cost increase of a 100% increase in cooling needs. Expressed in SEK m and percentage of operating surplus.	The impact of a 100% increase in cooling needs for the property portfolio entails increased costs of SEK 26 million (26), the equivalent of 0.4% (0.4) of the operating surplus.	GRI 302-1, pages 121-123
Higher energy costs as a result of reduced energy production due to extreme weather. <i>(Acute physical risk)</i> (RCP 8.5)	Costs	The effect on energy costs and operating surplus if energy prices increase SEK 2/kWh. Calculated based on consumption in 2024. Expressed in GWh, SEK m and percentage of operating surplus.	Total energy consumption (heating, cooling and landlord controlled electricity) in the property portfolio amounted to 210 GWh (217), equivalent to approximately SEK 365 million (365). A price increase of SEK 2/kWh would entail an increased energy cost of SEK 419 million (434), the equivalent of 6% (6) of the operating surplus for 2024.	GRI 302-1, pages 121-123
	Assets /liabilities	Investment in low-carbon alternatives. Expressed in SEK m/year.	In 2024, approximately SEK 51 million (61) was invested in low-carbon alternatives to reduce energy consumption in the property portfolio.	-



Risk/opportunity	Financial category	Unit of measure	Financial impact	Reference
Higher water costs due to greater investment needs in water and sewage networks. <i>(Chronic physical risk)</i> (RCP 2.6/8.5)	Costs	The estimated effect of a 100% price increase for water on costs. Expressed in million SEK per m ³ /year and percentage of operating surplus.	Total water consumption in the property portfolio amounted to 982,389 m ³ (983,812). A doubling of the price of water would entail an increase in water costs of approximately SEK 30 million (26), equivalent to 0.4% (0.4) of the operating surplus.	GRI 303-5, pages 125-130
OPPORTUNITIES				
Lower costs due to energy efficiency measures.	Costs	Lower energy costs due to energy efficiency measures. Expressed in MWh and SEK m/year.	Energy efficiency measures implemented in the property portfolio since 2016 are assessed as having reduced the need for purchased energy by about 103 GWh (95), corresponding to cost savings of approximately SEK 179 million (160), the equivalent of 2.5% (2.3) of the operating surplus.	GRI 302-1, pages 121-123
	Assets/liabilities	Investment in low-carbon alternatives. Expressed in SEK m/year.	In 2024, approximately SEK 51 million (61) was invested in low-carbon alternatives to reduce energy consumption in the property portfolio.	-
Increased production of self-generated renewable energy.	Income	Income from sales of self-generated renewable energy. Expressed in SEK m/year.	Income from sales of self-generated renewable energy from solar photovoltaics amounted to SEK 1.1 million (2.0), equivalent to 0.0% (0.0) of operating surplus.	GRI 302-1, pages 121-123
	Costs	Lower energy costs due to self-generated renewable energy. Expressed in MWh and SEK m/year.	Self-generated energy in the property portfolio reduced the need for purchased energy by an estimated 5,300 MWh (4,900), corresponding to cost savings of approximately SEK 9 million (8), the equivalent of 0.1% (0.1) of the operating surplus.	GRI 302-1, pages 121-123
	Assets/liabilities	Investments in increasing self-generated renewable energy. Expressed in SEK m/year.	SEK 8.4 million (2.6) was invested in solar photovoltaics and solar parks during the year.	-
Higher revenue from environmentally certified properties.	Income	Estimated increase in revenue assuming higher repurchase rates, higher occupancy rates and higher rent levels from environmentally certified properties. Based on an assumption of a 5-15% increase in rental revenue. Expressed in SEK m and percentage of total rental revenue and operating surplus, respectively.	Rental revenue from environmentally certified properties amounted to SEK 8,600 million (8,500), representing approximately 94% (93) of the total rental revenue. A 5-15% increase in rental revenue would be equivalent to an increase of approximately SEK 420-1,294 million (420-1,270). This is the equivalent of 6-18% (6-19) of the operating surplus.	GRI CRE8, page 134
	Costs	Cost of environmental certification of new construction and renovations in relation to total investments. Expressed in %.	Sperlingens Backe 47 and Hötorgshus 2 were certified in 2024. The cost of certification corresponded to 0.021% of the total investment.	GRI CRE8, page 134



Risk/opportunity	Financial category	Unit of measure	Financial impact	Reference
Higher valuations for environmentally certified properties.	Assets	Estimated property value increase in SEK million assuming that environmentally certified properties are 5–15% more valuable than non-certified properties.	At the end of 2024, Vasakronan’s property value totalled SEK 178,183 million. An increase in property values of 5–15% would mean that the property value would increase by a range from SEK 8,004–24,012 million.	GRI CRE8, page 134
Lower material costs in construction projects due to increased share of reused material.	Costs	Estimated cost savings due to increased share of reused material in construction projects, based on the assumption that material costs stand for 55% of the project expenses, a maximum re-use potential of 50% and that reused material costs 25–50% less than new material. Expressed in SEK m.	In 2024, the cost for material with re-use potential in finished projects was SEK 571 million (781). An increased reuse of materials in these construction projects would have an effect of approximately SEK 150–300 million (200–400), corresponding to 7–14% (7–14) of project expenses.	GRI 301-1, pages 119–120
Favourable financing for green assets.	Costs	Lower interest expense due to financing through the Green Finance Framework or green bank loans.	It is currently difficult to estimate how much lower interest expenses are with financing through our green framework. With an assumption of an average of 5 points’ lower financing costs, this represents a reduction of SEK 31.1 million in interest expenses per year.	Year-end report 2024, page 12
	Assets	Assets that meet the criteria in the green framework. Expressed in SEK m and percentage of total assets.	At the end of 2024, assets in the green pool totalled SEK 78,827 million (65,734), equivalent to 40% (34) of the company’s total assets.	Year-end report 2024, page 12
	Liabilities	Total green bonds outstanding and other green debt instruments. Expressed in SEK billion.	At the end of 2024, the volume outstanding of green bonds and other green debt instruments totalled SEK 62.1 billion (63.3).	Year-end report 2024, page 12

205-3 Confirmed incidents of corruption and actions taken

Corruption in the Swedish property and construction industries is regarded as being widespread and extensive. Vasakronan must therefore have a process that eliminates the risk of corruption and other improprieties in all situations.

Boundaries

The anti-corruption work pertains firstly to Vasakronan's efforts to prevent corruption within the company, but also to requirements set by Vasakronan on suppliers having a systematic process to counteract corruption in their operations.

Responsibility and governance

The efforts toward counteracting corruption and bribery are being led by the company's General Counsel in the capacity of Compliance Officer. Infringements are not acceptable and may result in disciplinary measures, termination or legal proceedings.

Anti-corruption work in the company is governed by policies and guidelines for areas including anti-corruption and purchasing. Vasakronan's policies, routines and training work together with our Code of Conduct for employees and suppliers to counteract all forms of corruption and irregularities.

Follow-up and reporting policies

Any suspicions of corruption or other irregularities are reported to the Board of Directors annually. Company employees, suppliers and customers also have the option of anonymously turning to an external whistle-blower function. An external party acts as a representative for Vasakronan and guarantees the anonymity of the person notifying. Information about how to contact the whistle-blower function is available on the company's website.

The compliance officer in the company compiles submissions that come in to senior executives, the compliance officer or the external whistle-blower function.

Targets and fulfilment

The target is zero cases of corruption arising. No cases of corruption were confirmed during the year.

Lessons learned

During the year, the company concluded that more training and information on rules of conduct, requirements and follow-up regarding anti-corruption is required both for its own employees and for suppliers. More information needs to be provided about the whistle-blower function, both upstream in the value chain, for example at Vasakronan's construction sites, and downstream, with the company's tenants.

It also emerged during the year that the company needs to make the whistle-blower function more easily accessible on the company's website and that it needs to be provided in several different languages. The low number of reports received by the whistle-blower function may indicate that the company's effort to reach out and invite reporting of possible irregularities are inadequate and thus fail to catch all incidents.

Contribution to the UN SDGs

By striving to keep all of Vasakronan's business relationships free from corruption, Vasakronan contributes to achieving Goal 16 and its target 16.5, "Substantially reduce corruption and bribery in all their forms."

Environmental responsibility

301-1 Materials used by weight or volume

Large amounts of materials are used in new construction, redevelopment, leasehold improvements and maintenance at Vasakronan's properties. The materials used in projects give rise to major environmental impact when they are extracted, produced and transported. Therefore, reducing the amount of material used and greater use of reused building materials and material that is manufactured from renewable or recycled raw material is important.

Information about the quantity and type of material used needs to be reported to give a fair and accurate overview of the actual climate impact of Vasakronan and of individual projects. In addition, Vasakronan needs to ensure that the materials used do not contain hazardous substances that risk being spread into indoor environments in buildings or into the environment outside them. Phasing out hazardous substances from building materials is also part of the Do No Significant Harm (DNSH) criteria for many of Vasakronan's economic activities covered by the EU Green Taxonomy.

Boundaries

The reporting covers the building materials used in new construction and redevelopment projects, as well as leasehold improvements. Material used in maintenance and operations at properties is currently not monitored systematically since the quantity of material used in these projects is often relatively small in relation to the quantity of material in other construction projects.

The materials Vasakronan purchases and uses, such as office supplies and consumables, have been deemed non-material in relation to the amount and impact of building materials.

The project manager at each project is responsible for collecting information about the materials used. The company's suppliers, who purchase and use the materials when they perform construction and installation services, provide information about material usage. Vasakronan's ability to affect the total amount of material and the kind of

material used is primarily governed by which projects the company chooses to carry out, how they are designed and the type of material prescribed.

Responsibility and governance

The Chief Investment & Projects Officer (CIPO) is responsible for the materials used in large project development projects. This responsibility covers which projects are conducted, the amount and type of material used and using the Byggarubedömningen system in all projects. The Chief Customer Officer is responsible for the number and scope of leasehold improvements, but the Chief Investment & Projects Officer is responsible for carrying them out. The Chief Technology Officer is responsible for material use in maintenance projects, though this is not yet followed up systematically.

Material use is governed by Vasakronan's environmental policy and in more detail through the internal governance documents "Hållbarhetsprogram för projekt" (Sustainability Programme for Development Projects) and "Guidelines och principer för byggande" (Guidelines and Principles for Construction). All architects, planners and contractors are to comply with the Sustainability Programme, which states that Vasakronan must use materials efficiently and prioritise reuse of materials or those made from renewable or recycled raw materials. At the start of all projects with a cost of SEK 75 million or above, a workshop about reusing material must be held. The purpose is to identify reuse potential and to set project-specific targets.

To reduce future material use, the sustainability programme also stipulates that it should also be possible to reuse or recycle material when it is no longer needed in the building. Buildings and premises are also to be designed proactively and as flexibly as possible to reduce the need for future redevelopment. An environmental certification under LEED also steers toward reduced use of materials and a larger proportion of reused and recycled material as well as to larger shares from local sources.

To increase the financial incentives for contractors to use recycled building materials, the material surcharge that they would normally be

entitled to has been removed from the company's framework agreement. Instead, contractors may charge an extra 20% for all reused material used in the project.

The sustainability programme also prescribes using the Byggarubedömningen system for the selection and documentation of construction materials used in the project. Compliance is checked both through internal audits and through supplier audits as well as when a project is completed. Using the Byggarubedömningen system is also required in the majority of leases, which is important since tenants sometimes conduct renovations themselves.

Follow-up and reporting policies

The type and amount of materials used is followed up in conjunction with the completion of a project. The material used is compiled by weight, in total and per square metre, the proportion of renewable raw materials, the proportion of recycled and reused material as well as whether the material is environmentally certified. Annual targets are monitored through quarterly reports to the Board of Directors and to the Management Team.

The quantity of material used refers to the material used in new construction and redevelopment projects that were completed during the current year as well as in leasehold improvements with a project cost in excess of SEK 1 million. All major new construction and redevelopment projects are required to report all of the material used by weight. There also needs to be information about whether the material is manufactured from recycled or renewable raw material and if it is environmentally certified. Information is submitted to a central monitoring unit at the end of the project.

For other projects, there are currently no reporting requirements for actual materials used, either while the project is ongoing or in connection with its completion. The aim is also for, within a couple of years, maintenance projects to also report their material usage as administration for smaller projects becomes increasingly digitalised.

When data about material quantities are reported per square metre, the project's GFA (gross floor area) was used.



Targets and fulfilment

In 2024, a target was set to increase the share of circular material (meaning reused, renewable and recycled material) in projects by 10%. The outcome for the share of circular materials for the year was 22% (10), corresponding to an increase of 116%, meaning that the target was achieved by a very healthy margin.

A total of two large construction projects (two)¹ were completed in 2024, Hötorgshus 2 and Sperlingens Backe 47. Both were redevelopment projects. No new construction projects were completed during the year. In addition to redevelopment projects, leasehold improvements encompassing a total area of 138,000 square metres (80,000) were also completed.

The total quantity of material used in redevelopment projects amounted to about 4,100 tons (6,900), representing an average of 181 kg/sq. m., compared to 155 kg/sq. m. in the redevelopment projects that finished in the previous year. The increase in material quantity per square metre is due to the fact that Sperlingens Backe 47 suffered a serious water leak in the middle of production, which resulted in large portions of the work having to be redone and a consequent increase in material use. However, total material used for redevelopment projects decreased since fewer square metres were renovated in 2024. The audits conducted during the year show that the Byggarbete-dömnings system was used in all projects.

1) Board-approved construction projects with a budget >SEK 75 million.

Material use in leasehold improvements totalled approximately 2,300 tons (1,600) for the year, equivalent to 17 kg/sq. m. (20). During the year, the administration was closed on many projects originating from 2020–2022. Their material use was therefore included in material quantities for projects that were completed in 2024, even though their actual material use took place much earlier. The total quantity of material used in these projects amounted to approximately 6,500 tons (8,000).

Lessons learned

A more difficult economy with higher construction costs and a weaker lettings market means that project margins are pressed and that every cost in a project needs to be reviewed. This means that during the year it was difficult to raise reporting ambitions any higher for material use in projects. This complicates drawing any conclusions, for example, regarding the effects of removing the material surcharge for new material. The perception in the organisation, however, is that the changed compensation for material led to contractors increasing their use of reused material.

Contribution to the UN SDGs

By reducing the risk of building materials containing substances that are hazardous to people’s health or to the ecosystem, Vasakronan

Share of renewable, reused and recycled material

%	2024	2023	2022	2021
New construction projects ²⁾	–	–	7	–
Redevelopment projects	22	10	19	13
Total	22	10	7.6	13

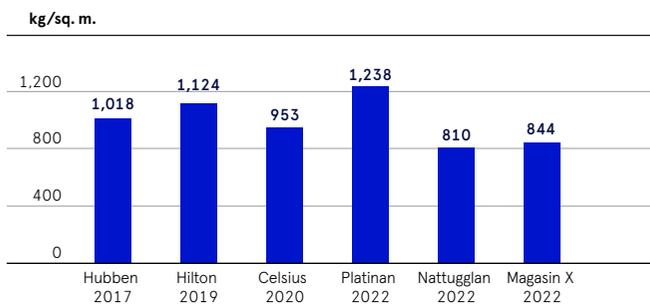
2) No new construction projects were completed in 2021, 2023 and 2024.

contributes to achieving Goal 3 and its target 3.9, “Substantially reduce the number of deaths and illnesses from hazardous chemicals and contamination.”

By reducing the amount of material, and using renewable, recycled or reused material to greater extents, the company contribute to achieving Goal 8 and its target 8.4, “Improve global resource efficiency in consumption and production.”

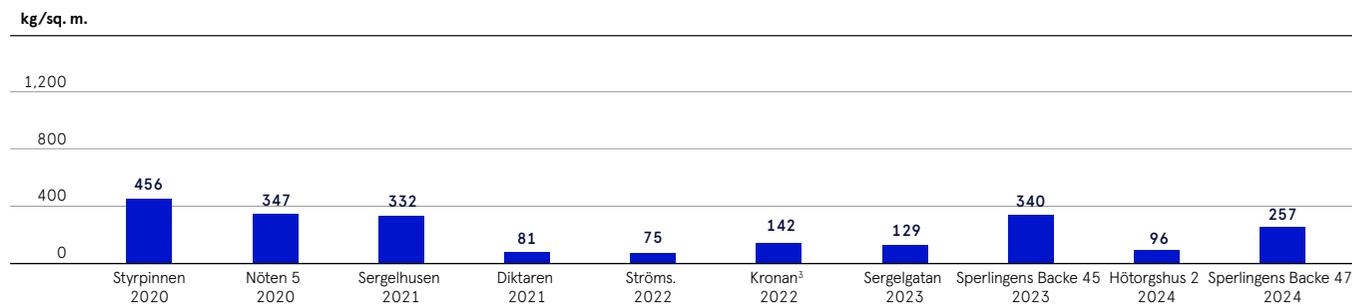
By increasing the quantity of recycled and reused material, the company also contributes to achieving Goal 12 and its targets 12.1, “Implement the 10-year framework of programmes on sustainable consumption and production,” 12.2 “Sustainable management and efficient use of natural resources” and 12.4 “Environmentally sound management of chemicals and all wastes.”

Material used in new construction projects



New construction projects completed, 2017–2022. No new construction projects were completed in 2021, 2023 and 2024.

Material used in redevelopment projects



Redevelopment projects completed in 2020–2024. 3) Pertains to the redevelopment portion of the project.

302-1 Energy consumption within the organisation

CRE1 Building energy intensity

The property sector accounts for just over 30% of total energy consumption in Sweden. Vasakronan's buildings need to have low energy consumption for the properties to be considered Taxonomy-aligned, which is also something many tenants are demanding. To be considered Taxonomy-aligned, newly constructed buildings must, inter alia, be 10% below the National Board of Housing, Building and Planning's requirements for new construction (BBR requirements) and existing buildings must be in the top 15% in terms of energy performance for its type. Low energy consumption is also a prerequisite for obtaining a high rating when environmentally certifying a building. Among other things, this is important for Vasakronan's green financing. Additionally, reduced energy consumption means lower operating expenses and a reduced risk for increased costs if energy taxes are raised as part of a stronger climate policy.

Boundaries

As a property owner, Vasakronan can significantly impact the energy consumption in properties, for example through the investments made by the company in HVAC-systems and in the building envelope of the properties. Tenants also affect energy consumption. It depends on the type of operations they conduct and the tenant's preferences as regards indoor climate, for example.

The reporting covers energy consumption for all properties in Vasakronan's property portfolio, and fuel used in vehicles owned by the company.

Responsibility and governance

The CTO is responsible for the energy consumption of the existing buildings, choice of energy source and for increasing Vasakronan's self-generated energy. The CIPO is responsible for the future energy

consumption at development projects and for ensuring that there is a plan in place to reduce energy consumption at newly acquired properties. The Chief Customer Officer (CCO) is responsible for maintaining existing customer partnerships and establishing new ones with respect to reduced energy consumption and to obtain information about customers' own energy purchases.

The energy initiatives are governed by Vasakronan's environmental policy and energy strategy. The energy strategy aims to reduce energy demand in buildings, reduce peak loads by using the energy at a different time, increasing self-generated energy and storing more energy in the company's buildings.

In existing buildings, Vasakronan's work is also governed by the Energy Inventory Act (Lagen om energikartläggningar). The Act includes requirements for identifying and proposing cost-effective actions to reduce energy consumption.

For large new construction projects, Vasakronan's work is governed by provisions in the Planning and Building Act (PLB) as well as Boverket's Building Regulations (BBR). Additionally, the internal requirement is to come in at least 50% under the BBR energy requirements, which is the equivalent of energy class A in the Swedish system for energy performance certificates. For major renovations not covered by the BBR requirements, the aim is for an energy consumption of less than 50 kWh/sq. m. and to be certified energy class C at minimum.

Reducing energy consumption in existing buildings requires close collaboration with the company's tenants. Since 2017, there is a clause in Vasakronan's new leases that entails collaboration around reduced energy consumption and mutual reporting of energy data. Requirements are also set in this area for tenants to procure renewable energy if tenants have their own electricity supply contracts.

Vasakronan only purchases electricity from renewable energy sources, and in agreements with suppliers of district heating and district cooling Vasakronan has requirements for renewable and/or climate neutral energy if such is available from the supplier.

Follow-up and reporting policies

Energy consumption and the share of self-generated electricity is monitored on a monthly basis at the property, technical area, and company level using an energy monitoring system in which all the meter values measured are recorded and analysed. Energy consumption for new construction and redevelopment projects is monitored against projected values in connection with a project being completed and being transferred into operation. The type of purchased energy is checked once per year.

Vasakronan's report distinguishes between landlord-related energy consumption (i.e., energy consumption related to heating, air conditioning and landlord controlled electricity) and tenants' own energy consumption. Tenants' own energy consumption is followed up and reported separately to be used, among other things, for scope 3 calculations of carbon emissions. The primary energy demand for properties is also monitored and is used to determine whether an existing building is Taxonomy-aligned. The quantity of self-generated electricity from solar photovoltaics owned by Vasakronan and the share of renewable and non-renewable energy is also reported.

Specific energy consumption is calculated as the annual total energy consumption, adjusted to the level of a normal year, from heating, cooling and landlord controlled electricity, divided by the temperate area. In other words, the indoor area for all floors of a building that are heated to more than 10°C. The primary energy demand is calculated through multiplying the building's energy consumption by weighting factors, depending on the energy carrier(s) used. The heating energy is then divided by a geographic adjustment factor. Finally, the result is divided by the building's temperate area. Reported energy intensity (specific energy consumption and primary energy demand) also includes some tenant electricity and process cooling which, for technical reasons, is not possible to remove from the landlord controlled electricity calculation.

Reported amounts of energy in GWh are based on actual measured values or values taken from grid operators for part of the tenant energy. In some properties, Vasakronan delivers tenant electricity. In the rest of the property portfolio, where tenants have their own electricity contracts, Vasakronan receives measurement data at a property level from the grid operators.

Reported amounts of energy are not adjusted to the level of a normal year, except in specific energy consumption data and the primary energy demand that is based on adjusted values. The primary energy demand at company level and the figures reported at property level in the list of properties on Vasakronan's website are calculated using the most recent measured data.

Reported quantities for self-generated energy are based on actual measured values without any normalising. The quantities of renewable and non-renewable energy delivered by energy companies are based on data from each energy company. The number of properties that meet the energy requirements in the EU Taxonomy is collected and followed up centrally within Technology and property in connection with EU Taxonomy reporting.

Targets and fulfilment

For 2024, the target was to decrease specific energy consumption by 4%. Specific energy consumption amounted to an average of 70 kWh/sq. m. (73) for 2024, down 3% on the previous year. The ambitious target of reducing energy consumption 4% was therefore not achieved, largely because the need for cooling during the summer was greater than expected as a result of the warm weather.

In 2024, temperate area data for the properties (Atemp) was updated in accordance with their actual measured area. Previously, Atemp was based on estimated values for some cases. This correction means that an additional 59,000 square metres were added to the figure used for calculating the company's total energy consumption. Energy intensity calculated without this update to Atemp was 71.8 kWh/sq. m.

Another target for 2024 was for more than 55% of existing properties to meet the required primary energy demand in the EU Taxonomy. At the end of the year, 60% of our property portfolio met this requirement. The increase was due to an additional 17 properties, with a value of approximately SEK 28,000 million, that met the requirement, thereby achieving the target.

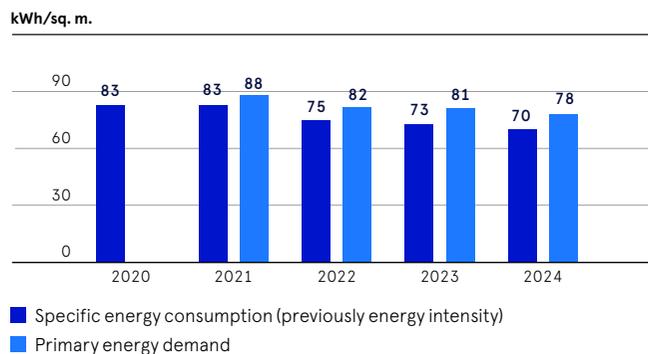
The property portfolio's average primary energy demand was 78 kWh/sq. m. (81) at the end of the year. The tenants' own electricity consumption of 180 GWh (175) is excluded in the calculation of specific energy consumption or primary energy demand, but is included in the climate report (scope 3).

Vehicle fuel used during the year amounted to 0 GWh (0) since all service vehicles that Vasakronan owns are electric and are charged at the company's own properties. Vehicle electricity consumption is therefore indirectly included in the properties' energy consumption.

Energy consumption

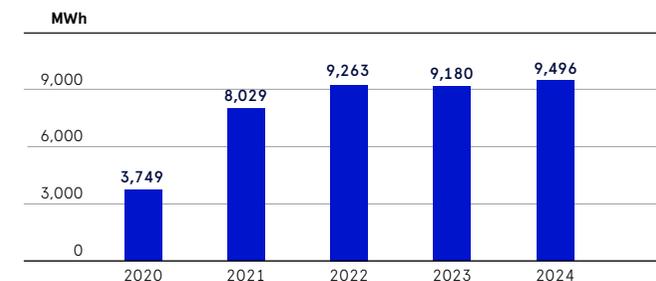
GWh	2024	2023	2022	2021
Vehicle fuel consumption	-	-	-	-
Oil	0.1	0.1	0.1	0.1
Share renewable, %	100	100	100	100
Heating	109.6	117.6	113.0	136.2
Share renewable, %	94	89	89	90
Cooling	21.6	20.0	24.3	26.2
Share renewable, %	94	94	95	95
landlord controlled electricity	76.8	78.3	78.9	75.3
Share renewable, %	100	100	100	100
Other electricity consumption, e.g., construction projects	1.6	1.2	0.8	1.5
Share renewable, %	92	75	32	75
Total	209.7	217.2	217.1	239.3
Share renewable, %	96	94	94	94

Energy intensity



Specific energy consumption averaged 70 kWh/sqm at the end of 2024.

Self-generated electricity



A total of 9,496 MWh of electricity was produced by solar photovoltaic systems during the year.

In 2024, an additional eight solar photovoltaic systems (three) were put into operation in the property portfolio. At the end of the year, 98 (90) solar photovoltaic systems were in operation. The installations are located throughout the entire property portfolio; Stockholm has the most with 41 installations followed by Uppsala with 27, Gothenburg with 15 and Malmö with 15. In total, 9,496 MWh (9,180) of electrical energy were produced by our solar photovoltaic systems. This means that 12% (11) of electricity needs are covered by own production.

Lessons learned

It became clear during the year that society is starting to place greater expectations on property owners to shoulder their responsibility in the climate transition. This is clear from, for example, the EU Energy Performance of Buildings Directive (EPBD). The directive carves out a path for all buildings to reach net zero emissions by 2050 and its tightened requirements have led to a markedly increased interest in, and inquiries regarding, the company's energy savings work, particularly from financiers. It is clear that work to improve energy efficiency in the property portfolio needs to continue. It is also clear that, from a financial perspective, the information requirement for the energy performance for specific buildings and the company's energy performance as a whole have become two very important performance measures. Another lesson learned in 2024 was that as energy prices increase in volatility, there is a growing need to be able to store electricity and ensure flexibility in how energy is used. This reduces costs as well as environmental impact.

Contribution to the UN SDGs

By reducing energy consumption and transitioning to renewable energy sources, Vasakronan contributes to achieving Goal 7 and its target 7.2, "By 2030, increase substantially the share of renewable energy in the global energy mix" and 7.3, "By 2030, double the global rate of improvement in energy efficiency."

303 Water and effluents

303-5 Water consumption

CRE2 Building water intensity

Due to the shortage of fresh water that faces many parts of the world, water consumption becomes an important sustainability matter from a global perspective. Over the last few years, even in Sweden, access to drinking water has been restricted, including in Uppsala where Vasakronan owns properties. Even though a shortage has only arisen in one of the cities where the company operates to date, the company is working continually on monitoring and on cost-efficient measures to reduce water consumption. Water consumption can be very high in some building material procurements, which is why access to water has increased in materiality for Vasakronan. Work to map the extent of the upstream impact in the value chain will therefore be started. Low water use in buildings is a prerequisite for environmental certification with high ratings, which also helps reduce operating expenses. The EU Taxonomy also has Do No Significant Harm criteria related to water use (activities 7.1 and 7.2).

Boundaries

As a property owner, Vasakronan has considerable opportunity to impact the amount of water used in its buildings since the company is the one who decides and makes investments in technical systems. Tenants also have a high impact on water consumption, the extent to which largely depends on the type of operations they conduct and how they choose to use the premises.

The reporting encompasses water consumption at all properties. However, it does not cover any water use where tenants have their own water supply contracts nor water consumption at Vasakronan's construction sites to the extent that water is not taken from an existing building that has a water contract.

Responsibility and governance

The CTO has primary responsibility for the water consumption of the existing properties. The CIPO is responsible for all new construction and redevelopment being designed so that their water consumption is low. Water efficient equipment is selected during planning – low flush lavatories and low flow fixtures, for example. Any landscaping adjacent to the buildings is planned to reduce the need for irrigation. If possible, rainwater collection systems are installed to collect water used to flush toilets.

Reduced water use is governed by the company's environmental policy, and is included as a requirement in environmental certification of buildings. The requirement for low-flush equipment is also included in the company's sustainability programme for projects.

Vasakronan uses municipal water from each municipality. A list of water suppliers and potable water sources for each city are presented in the table on this page.

Water suppliers and sources

City	Water suppliers	Water sources
Stockholm	Stockholm vatten och avfall/ Norrvatten/Sundbyberg vatten & avfall	Surface water
Gothenburg	Göteborg vatten & avfall	Surface water
Malmö	VA Syd	Surface water and ground water
Uppsala	Uppsala vatten och avfall	Ground water



Follow-up and reporting policies

Water consumption is monitored on a monthly basis at the property, city, and company level via Vasakronan’s operations monitoring system in which all the meter values measured are recorded and processed.

Reported quantities for water are based on actual measured values without any normalising. Water intensity is calculated by dividing water consumption by a property’s NFA.

Targets and fulfilment

Vasakronan does not currently have an annual target for water but is monitoring consumption to ensure that it remains at a reasonable level. The total amount of water consumed during 2024 amounted to 982,389 m³ (983,812), equivalent to a water intensity of 0.41 m³/sq. m. per year (0.41). Water consumption has returned to a stable level since the pandemic.

The increase for the last three years is primarily explained by use of premises returning to normal after the pandemic.

Lessons learned

During the year, it became clear that water is becoming an increasingly important sustainability matter globally and many of Vasakronan’s stakeholders had questions. Tenants want to know about water consumption at premises/properties. Investors ask questions about the company’s overall water consumption, indirectly upstream in the value chain as well as downstream at properties. One lesson learned is that an investigation of the impact of the company’s operations on water consumption and marine resources, upstream in the value chain is needed.

Contribution to the UN SDGs

By reducing the water consumption, Vasakronan contributes to achieving Goal 6 and its target 6.4, “By 2030, substantially increase water-use efficiency across all sectors.”

304-2 Significant impacts of activities, products, and services on biodiversity

Constructing new buildings can affect biodiversity negatively as undeveloped land is taken over by construction. Vasakronan builds an average of approximately one new building every year, but essentially never on undeveloped land. Instead, new construction is on land that has already been developed for some other use, such as parking. Even if the risk of reducing biodiversity is not as great, there are still often opportunities to promote biodiversity in connection with development projects. There are also good opportunities to increase biodiversity in the existing property portfolio.

Using various kinds of pesticides in property management operations entails a risk of affecting biodiversity. Vasakronan’s operations can entail the use of weedkillers and chemical treatments against various types of pests.

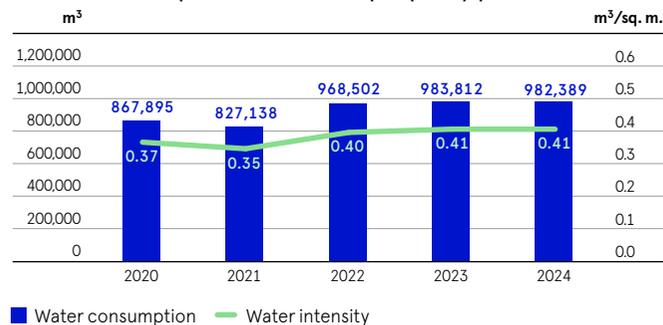
Vasakronan affects biodiversity in other places indirectly through purchased goods and services, such as building materials and energy. By reducing the amount of building materials and setting requirements for different kinds of environmental certification for goods and energy, the indirect impact on biodiversity can be reduced considerably.

Boundaries

This report only covers Vasakronan’s own impact on biodiversity in and around the company’s properties. As a property owner, Vasakronan’s operations primarily entail opportunities to increase biodiversity. Sometimes space at ground level is limited, but then roofs and walls can be used to increase plant life. Vasakronan can also plant and take care of new plants on adjacent land owned by municipalities or other land owners.

It does not yet cover the company’s indirect impact on biodiversity through purchased goods and services, though the ambition is also to include such a report.

Water consumption across the property portfolio



Responsibility and governance

While the CTO has primary responsibility for biodiversity at existing properties, in practice, much of the daily work is through Vasakronan's landscaping contractors.

The CIPO is responsible for designing new construction and redevelopment projects so that site biodiversity is improved after a construction project is completed and ensuring that the surrounding ecosystem is not disrupted during a construction project.

Work to increase biodiversity is governed by Vasakronan's environmental policy. The sustainability programme for projects requires an ecological study to be performed and this is also evaluated during environmental certification of new construction and redevelopment projects. Supplier agreements with landscaping contractors include binding requirements that entail prioritising and supporting biodiversity. To encourage a lower impact on biodiversity in the supply chain in terms of building materials used by Vasakronan, the company currently relies primarily on reducing the impact by using fewer virgin materials (even if they are renewable).

Follow-up and reporting policies

To increase the total amount of green space at properties and support biodiversity, Vasakronan conducted its first inventory of the entire property portfolio in 2023. Follow-up measurements were performed in 2024. The data reported at the property level includes the total land area of the property, the area that is green (covered by plants) and whether the green area is monocultural (for example, lawn) or multi-species (at least six different species). An inventory of habitats or other animal-friendly measures has also been conducted.

Targets and fulfilment

Ahead of 2024, a target was set to increase the property portfolio's Biodiversity index. The property portfolio's Biodiversity index is 46% (35), and the target was reached. The biodiversity index is defined as the share of green spaces that promote biodiversity in relation to the total amount of green space at the company's developed properties. The inventory conducted during the year found that 54% (49) of the properties have some form of green space. Of the total ground area, 12% (11) is some form of green space, with a breakdown of 65% (68) on the ground, 34% (31) on roofs and 1% (1) on walls.

Lessons learned

A lesson learned during the year was that Vasakronan's stakeholders expect transparent quantifications and reporting on the company's impact on ecosystems where raw building materials are extracted. While there is currently no common approach for reporting this kind of impact, initiatives such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets initiative (SBTi) are creating greater consensus about how to conduct this work. Another lesson learned was that some countries introduced legislation pertaining to biodiversity at development sites during the year. This means that anyone developing a building or facility needs to demonstrate a net positive impact on biodiversity at the site after the building/facility is completed.

Contribution to the UN SDGs

By promoting biodiversity, Vasakronan contributes to achieving Goal 15 and its target 15.5, "Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species."

305-1 – 305-3 Direct, indirect and other indirect GHG emissions

CRE3 Greenhouse gas emissions intensity from buildings

Buildings account for 20% of all greenhouse gas emissions in Sweden, both through emissions connected to construction and through those generated by energy consumption in operation. Reducing Vasakronan's emissions is important for reasons that include demand from customers for premises with low carbon emissions and to reduce the risk of increased construction and energy costs due to raised fees/taxes on carbon emissions. Moreover, a new law for climate declarations for new buildings entered force on 1 January 2022.

Boundaries

The report includes all significant emissions from the organisation as well as those from outside the organisation that are the most material in terms of size and potential impact.

Responsibility and governance

Responsibility for Vasakronan's emissions is based on the same allocation of responsibilities as for the underlying material cause of the emissions, namely the same as for materials used, energy consumption and waste, with the responsible instance given under each indicator in this Sustainability Report. In addition, the Chief Human Resources Officer (CHRO) is responsible for creating the conditions and guidelines for reducing emissions from employees' business travel and commutes.

Efforts to reduce the company's emissions are mainly governed through systematic work to reduce our material and energy consumption, waste from tenants and construction waste. For more information about governance, refer to each indicator.

For even better control over emissions from construction operations, Vasakronan requires all decisions pertaining to construction projects budgeted in excess of SEK 75 million to include a climate calculation, which reports emissions per produced square metre and information about the project’s plans to reduce them. New construction projects are not permitted to exceed 250 kg CO₂-equivalents (CO₂-e) and redevelopment projects may not exceed 125 kg CO₂-e (calculated using LFM30’s method). These threshold values will be tightened in 2025, and again each year until 2030. This is to support the large emissions reductions needed to reach the net-zero target by 2030.

Follow-up and reporting policies

Monitoring of GHG emissions is conducted every year according to the GHG Protocol, and this year’s report was prepared with support from the consultants 2050 AB.

A company’s climate impact is divided into three scopes. Scope 1 emissions are ones that arise in direct connection to Vasakronan’s own operations. Scope 2 emissions are indirect emissions that arise due to Vasakronan’s energy purchases and all other indirect emissions are reported in scope 3. When applicable, emissions are reported using both the market-based (MB) and the location-based (LB) methods.

Vasakronan no longer has significant scope 1 emissions as a result of fossil fuel no longer being combusted at Vasakronan’s facilities or in its vehicles. Among other initiatives, all fossil-dependent oil burners were phased out more than ten years ago and all service vehicles have been electric for several years now. However, there are occasionally leaks of refrigerants from cooling equipment, which is a direct emission related to our own operations.

Scope 2 emissions pertain to all of the energy purchased in buildings in the form of district heating, district cooling and electricity. Climate calculations do not make adjustments for a normal year, unlike reporting for specific energy consumption and primary energy demand. Scope 3 emissions are all other indirect emissions from operations that occur along the value chain. Upstream emissions arise primarily in the supply chain from material use, waste and transportation in construction projects. Downstream emissions arise from

customers when tenants use and commute to our premises. One source of indirect emissions outside the organisation are different kinds of business travel by car, train or air and employees’ commutes.

Vasakronan started reporting its climate emissions in 2006. Since then, a gradual improvement of data – as well as amended reporting policies – have led to an increase in the scope of which emissions are included in the climate reporting. Since 2012, the reports relate not only to emissions of carbon dioxide but to all greenhouse gases that impact the climate. Emissions from waste, material used and transportation in construction projects have been included since 2014, and tenant energy consumption has been included in reporting since 2015.

In Scope 3, part of the report is based on actual data and part on estimated values. For more information, see the table on pages 129–130. The emissions from waste, transportation and material use in construction projects includes projects that were completed during the year. Many of our major projects run for several years. It is currently difficult to continuously report those emissions, which is why they are all reported in the year when the project is finished. Depending on how many projects are completed per year, Scope 3 emissions can vary greatly between years. Initiatives to improve reporting from project operations have been introduced so that a climate report can be prepared gradually for all of the years that a project takes, and their introduction is planned for 2025.

Targets and fulfilment

In 2019, Vasakronan developed a long-term climate target summarised in the company’s 2030 Road Map. The goal is for Vasakronan to achieve net-zero climate emissions across the entire value chain by 2030, which is expressed as a decrease of emissions of at least 90% and an opportunity to compensate for the residual emissions with some kind of mechanism that removes the remaining portion of carbon dioxide from the atmosphere. This target was evaluated and approved by the SBTi in 2022.

Because the size of the company’s climate impact largely depends on how successful the company is at reducing energy consumption, material use and waste volume, Vasakronan sets annual efficiency

targets in all of these areas. For information about the targets that were set, see each indicator.

Another target for 2024 has been to reduce the company’s total emissions per square metre (Scopes 1, 2 and 3, excluding emissions from major projects) by 10%. During the year, the administration was closed on many projects originating from 2020–2022. Their material use and waste was therefore included in projects that were completed in 2024, even though they were generated much earlier. For this reason, achievement for this target only includes projects that were actually conducted in 2024. However, to fully account for the company’s climate impact, material and waste quantities for all projects are included, even those that do not actually pertain to 2024. Scope 1, 2 and 3 emissions decreased 16% to 11 CO₂eq/sq. m. (13), thereby achieving the target. The decrease was primarily in Scope 2 and largely attributable to a new agreement for fossil-free district heating for properties in Stockholm.

Another target for 2024 was for large projects started in 2024 to have a maximum level of 250 (new construction) or 125 (renovations) kg CO₂eq/sq. m. However, market conditions meant that no such projects started during the year.

Total GHG emissions from 2016 and 2020–2024 are given in the table on page 128.

During the year, scope 1 emissions increased 17% to 506 tons (434) as a result of increased refrigerant leakages. However, it is entirely possible that actual leakage has not increased and that the increase is instead due to better reporting. Scope 2 emissions (market-based) decreased 66% to 1,717 tonnes (4,979) due to a transition to fossil-free district heating in Stockholm.

In 2024, scope 3 emissions decreased 2% to a total of 31,156 tons (31,803). The decrease was due to a larger share of fossil-free electricity agreements among tenants.

A relevant scope 3 emission in the value chain for Vasakronan that was not included previously due to uncertainty and a lack of reliable data was tenants’ commutes to and from properties. For quite some time, the company has taken various measures to reduce this kind of emission. For example by offering bicycle parking, changing rooms,

charging stations for electric cars and commuting by boat. In 2023, an overview of all tenants' commutes was performed that used data from the travel habit surveys conducted in conjunction with the LEED certification for properties. Based on this calculation, approximate emissions related to commuting could be estimated at 50,000 tons of CO₂e per year.

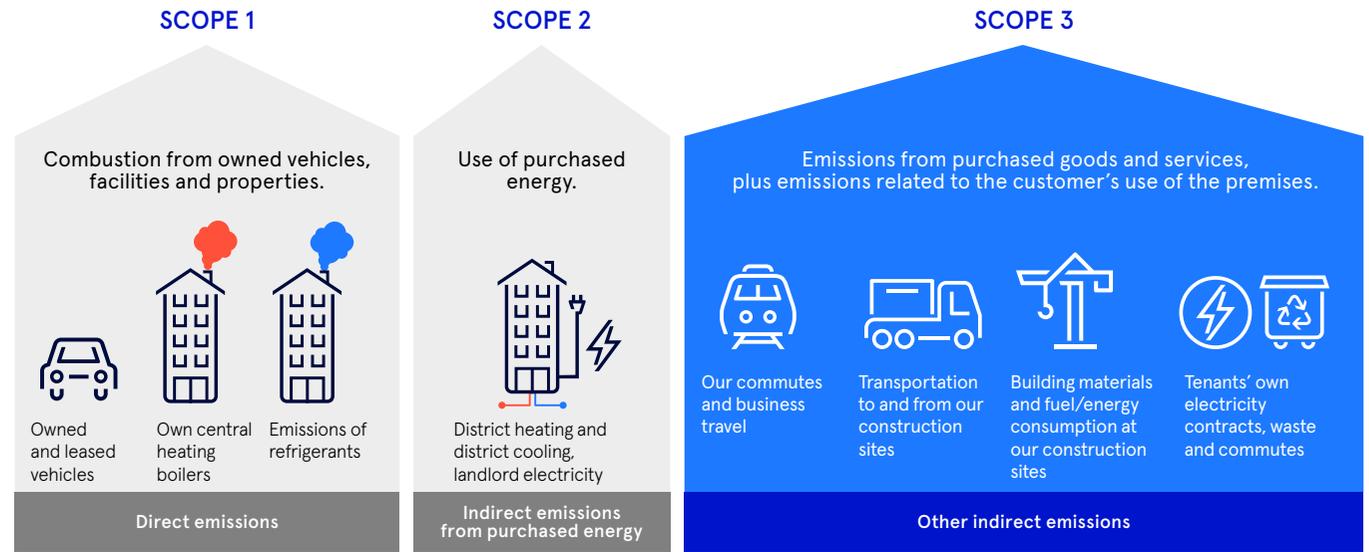
Lessons learned

During the year, there have been clear indications from the EU that the union aims to enable the recognition of the value of sequestered carbon in long-lasting wood products, such as construction materials made of wood. This means that Vasakronan needs to investigate the effect this will have on the company's climate reporting. A lesson learned during the year was that adjustments to the base year will be necessary, especially in Scope 3, as Vasakronan's climate reporting becomes more complete and accurate. This allows for comparisons between years and assessment of target fulfilment. Another lesson learned was that the different property companies use different emissions factors for the same kind of energy. This makes accurate comparison of reported emissions between companies highly complex. To that end, the Swedish Property Federation has started work on standardising/recommending a principle.

Compensation

Since 2008, Vasakronan has compensated for scope 1 and 2 emissions as well as parts of scope 3 by purchasing Gold Standard-certified Verified Emission Reductions. A new climate compensation principle was applied starting in 2020. All of the emissions reported in the table on page 128, except for those that are already compensated for by the company's energy suppliers (2023: 3,646 tons of CO₂e), are assigned an economic value based on the cost of conventional climate compensation. Funding is provided for this amount in the following year. One third is used to buy shares in conventional carbon offset projects, one third to plant trees and other vegetation in connection with the company's own properties and one third to support research that leads to reduced emissions from the construction and property sector.

Reporting of emissions by scope



Vasakronan is aware that only the first category is generally accepted as climate compensation. However, since most of the emissions being "compensated" for are scope 3 emissions (which are seldom compensated for at all) and because all compensation is always voluntary, this principle has been chosen.

In 2024, Vasakronan offset 11,190 tonnes of CO₂ in a new solar power plant construction project in India. To reach the target of net zero by 2030, however, all of the residual emissions reported that year need to be fully compensated with some kind of "carbon removal certificate compensation," meaning a mechanism that permanently removes the equivalent amount of carbon dioxide from the atmosphere.

Contribution to the UN SDGs

By reducing the climate impact of the entire value chain, Vasakronan contributes to achieving Goal 11 and its target 11.6, "Reduce the adverse per capita environmental impact of cities." The company also contributes to achieving Goal 12 and its targets 12.2, "Sustainable management and efficient use of natural resources" and 12.4 "Environmentally sound management of chemicals and all wastes." The company also contributes to achieving Goal 13, "Climate Action," and its target 13.3, "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning."



	Base year 2016 ¹	2020	2021	2022	2023	2024	Comments	<i>All amounts in the table refer to tons of GHG, if not otherwise stated.</i>
SCOPE 1								
Oil ²	0	0	0	0	0	0		
Own vehicles	21	-	-	-	-	-	All fossil-dependent vehicles were phased out in 2019. From 2020 Vasakronan only owns electric vehicles.	
Refrigerant leakage	280	317	494	351	434	506	Increased leakage and better reporting during the year.	
Total scope 1	301	317	494	351	434	506		
SCOPE 2								
District heating (market based)	4,369	3,838	4,327	4,525	4,789	1,548	Transition to fossil-free district heating in Stockholm.	
<i>District heating (location based)</i>	8,521	7,254	8,614	7,846	8,558	7,985		
District cooling (market based)	121	10	0	0	0	0	Fossil-free deliveries in all agreements.	
<i>District cooling (location based)</i>	583	213	137	115	78	111		
Electricity (market based)	415	103	121	258	190	169	Reduced electricity consumption in properties not part of Vasakronan's electricity contracts (with renewable electricity).	
<i>Electricity (location based)</i>		4,392	5,864	6,080	5,950	5,452		
Total scope 2 (market based)	4,905	3,951	4,448	4,783	4,979	1,717		
SCOPE 3, Upstream								
Materials in construction projects	30,175	19,254	23,967	57,333	6,762	6,924		
Production and distribution of fuels (in scope 1 and 2) ³	2,536	1,519	1,520	1,323	1,339	1,591	Emissions increased due to changed emission factor for district heating.	
Transportation in construction projects	1,013	1,235	1,280	2,826	274	241		
Waste from construction projects	1,157	6,342	3,010	2,153	1,011	1,086		
Business travel (train, taxi, flights, hotels, service vehicles and private vehicles used for business)	147	36	30	57	77	47		
<i>- of which flights</i>	118	23	15	44	64	29	Air travel has decreased and rail travel increased.	
Commutes	157	25	77	82	63	63		
SCOPE 3, Downstream								
Tenants' energy consumption	24,830	12,906	13,365	14,635	20,054	18,983	Larger share of fossil-free electricity agreements among tenants.	
Waste from our tenants' operations	1,727	1,186	1,427	2,100	2,222	2,221		
Total scope 3	61,743	42,502	44,674	80,508	31,803	31,156		
Sum total of emissions (scope 1, 2 and 3)	66,949	46,770	49,617	85,642	37,215	33,379		
Emissions intensity, scopes 1 and 2 (<i>kg per lettable sq. m.</i>), market based	2.15	1.82	2.11	2.14	2.26	0.93		
Emissions intensity, scopes 1 and 2 (<i>kg per lettable sq. m.</i>), location based	7.06	5.19	6.46	6.00	6.28	5.86		

1) Base year updated from 2006 to 2016. 2) Pertains to Vasakronan's biogenic emissions, combustion of bio oil.

3) Expansion of scope so that upstream emissions from district heating is included in the category Production and distribution of fuels. Includes all reporting years in the table.



Explanations, emissions notes

Activity/Category	Data sources	Emissions factor	Source
SCOPE 1			
Oil consumption at properties	Oil consumption statistics. Only pertains to one property where oil consumption information comes from the property tenant.	Bio oil: 1 g CO ₂ e/kWh	VMK, 2023
Vehicles	Information on purchased vehicle fuel. Emissions ceased in 2019. Only electric vehicles since then.	Only electric vehicles charged at the company's own properties. Electricity consumption is included in scope 2. Electric vehicles: 0 g CO ₂ e/km	–
Refrigerants	Refrigerant emissions are taken from each property's refrigerant reporting, which includes information about amounts refilled and type.	R134A: 1,430 tons CO ₂ e/ton refrigerant R404A: 3,922 tons CO ₂ e/ton refrigerant R407C: 1,525 tons CO ₂ e/ton refrigerant R410A: 1,725 tons CO ₂ e/ton refrigerant R452A: 2,140 tons CO ₂ e/ton refrigerant	The Swedish Environmental Protection Agency, Refrigerant list (Swe: Köldmedieförteckning), 2022
SCOPE 2			
Energy consumption for all properties regardless of operational or financial control	No degree-day-corrected consumption data from the energy monitoring system.	Electricity use MB/LB 0.2/69.6 g CO ₂ e/kWh 0.3/69.6 g CO ₂ e/kWh 0.2/69.6 g CO ₂ e/kWh 0.1/69.6 g CO ₂ e/kWh 0.3/69.6 g CO ₂ e/kWh 0.04/69.6 g CO ₂ e/kWh 524.1/69.6 g CO ₂ e/kWh	Entelios 2024, Vattenfall, 2021, 2022 ECOHZ, 2024 E.ON, 2023, Vattenfall, 2022 Vattenfall, 2021, 2022, 2023 The Swedish Society for Nature Conservation, 2023, Vattenfall, 2021, 2022, 2023 Vattenfall, 2021 Swedish Energy Markets Inspectorate, 2024
Use of district heating in all properties connected to district heating, regardless of operational or financial control	No degree-day-corrected consumption data from the energy monitoring system.	District heating MB/LB: 2.2/2.2 g CO ₂ e/kWh 3.7/51 g CO ₂ e/kWh 71/71 g CO ₂ e/kWh 4.6/140 g CO ₂ e/kWh 1.0/137 g CO ₂ e/kWh	Stockholm Norrenergi, 2023 Stockholm Exergi, 2024 Göteborg Energi, 2023 Vattenfall Uppsala, VMK 2024 E.ON Malmö, VMK 2024
Use of district cooling in all properties connected to district cooling, regardless of operational or financial control	No degree-day-corrected consumption data from the energy monitoring system.	District cooling MB/LB: 0.0/0.0 g CO ₂ e/kWh 0.0/0.0 g CO ₂ e/kWh 0.0/0.0 g CO ₂ e/kWh 0/111 g CO ₂ e/kWh 0/0 g CO ₂ e/kWh	Stockholm Norrenergi, 2023 Stockholm Exergi, 2023 Göteborg Energi, 2023 Vattenfall Uppsala, 2023 E.ON Malmö, 2022
SCOPE 3, Upstream			
Materials in construction projects (Category 2: Capital goods)	Data on building materials is collected for all large construction projects. Material quantities for leasehold improvement projects are calculated based on climate calculations available for projects finished this year. Projects that lack climate calculations apply standardised calculations based on the number of square metres improved.	Primarily actual emissions factors. Generic data to a certain extent.	The National Board of Housing, Building and Planning's climate database, each building's EPD, IVL, One Click LCA, Plant.
Production and distribution of energy fuels in scopes 1 and 2 (Category 3: Fuel and energy-related activities not included in scope 1 or 2)	Company cars and bio oil in scope 1. Electricity consumption and district heating in scope 2.	Electricity: refer to scope 3 factors in sources under scope 2 District heating: refer to scope 3 factors in sources under scope 2 Bio oil: 4 g CO ₂ e/kWh	VMK, 2023

MB = Market based and LB = Location based



Scope 3, Upstream, cont.

Activity/Category	Data sources	Emissions factor	Source
Transportation in construction projects (Category 4: Upstream transportation and distribution)	Data is compiled from all large construction projects completed during the year. In cases where transportation data is missing, the project's climate calculation is used. For leasehold improvement projects, emissions are calculated based on climate calculations available for projects finished this year. Projects that lack climate calculations apply standardised calculations based on the number of square metres improved.	-	-
Waste from construction projects (Category 5: Waste generated in operations)	Data is compiled from all large construction projects completed during the year. Actual data was used for a number of leasehold improvements, and the remaining portion were estimated amounts of wasted based on the actual reported amounts available.	Material recycling: 0.006 Incineration without energy recapture: 0.46 Landfill: 0.001 <i>The above pertains to tons CO₂e/ton waste</i>	DEFRA, 2024 Swedish Waste Management, 2024 DEFRA, 2024
Business travel, taxi (Category 6: Business travel)	Data from the salary system on payments for taxi trips.	1.62 g CO ₂ e/km	The Swedish Environmental Protection Agency, 2024
Business travel, flights (Category 6: Business travel)	Data taken from travel agency/portal.	<785 km: 245 g CO ₂ e/pkm 501–1,600 km: 236 g CO ₂ e/pkm >1,600 km: 201 g CO ₂ e/pkm	NTM, 2023, RF 1.7
Business travel, trains (Category 6: Business travel)	Data from SJ and travel agencies/portals.	0.82 g CO ₂ e/pkm	The Swedish Environmental Protection Agency, 2024
Business travel, hotels (Category 6: Business travel)	Data from travel agencies/portals.	Sweden: 8.5 kg CO ₂ e/night Europe: 9.1–15.3 kg CO ₂ e/night USA: 24.4 kg CO ₂ e/night	Greenview, 2024
Business travel with private vehicles or service vehicles (Category 6: Business travel)	Mileage allowance paid for journeys in an employee's private car or with a service vehicle. Emissions based on fuel consumption for mixed driving for average figures from Swedish vehicle fleets/Vasakronan's service vehicle car park (only chargeable hybrids/electric vehicles/biogas vehicles).	EV (Mid-mix): 15.4 g CO ₂ e/km Average car in Sweden (2023): 150.8 g CO ₂ e/km	Swedish Energy Agency, 2023; IVL, 2019 Swedish Transport Administration, 2023; trafa, 2023; Swedish Energy Agency, 2023; Swedish Environmental Protection Agency, 2023
Commutes (Category 7: Employee commuting)	Questionnaire to all employees regarding commute distances and methods.	Car: 0.03–0.21 kg CO ₂ e/km Carpooling: 0.062–0.067 kg CO ₂ e/km Park-and-ride: 0.12–0.13 kg CO ₂ e/km Public transportation: 0.01–0.13 kg CO ₂ e/km Rail transit: 0.0000021 kg CO ₂ e/km Bus: 0.0385 kg CO ₂ e/km Motorcycle/moped: 0.1 kg CO ₂ e/km Electric bicycle: 0.005 kg CO ₂ e/km	The Swedish Environmental Protection Agency, 2022 Miljöbarometern
SCOPE 3, Downstream			
Tenants' commutes (Category 9: Downstream transportation and distribution)	Data on travel habits per building taken from the environmental certification application.	-	-
Tenants' energy consumption (Category 13: Downstream leased assets)	Data taken from our own system and the grid operator. A portion also estimated. The share of agreements with green electricity clauses are taken from our business system. For tenants without a clause in the contract, emissions are calculated using the Nordic residual mix emission factor. Efforts to get tenants to certify their actual type of electricity supply will begin in 2025, which may result in a decrease in reported emissions in future years as a result of this knowledge.	Hydro power and wind power: (MB) 0.84 g CO ₂ e/kWh Electricity without agreements (MB): 524 g CO ₂ e/kWh Bio oil: 4 g CO ₂ e/kWh	Entelios 2024, Vattenfall, 2021, 2022 Swedish Energy Markets Inspectorate, 2024, VMK 2024 VMK, 2024
Waste from tenants' operations (Category 13: Downstream leased assets)	Data taken from municipal waste contractors and the company's own waste contractors who handle unsorted waste.	Material recycling: 0.006 Incineration without energy recapture: 0.46 Landfill: 0.52 <i>The above pertains to tons CO₂e/ton waste</i>	DEFRA, 2024 Swedish Waste Management, 2024 DEFRA, 2023

306 Waste

306-4 Waste diverted from disposal and 306-5 Waste directed to disposal

Large amounts of waste arise in new construction and redevelopment projects and account for approximately 40% of all waste generated in society. A large portion of that waste currently goes to incineration or landfill and only a small portion of it is recycled or reused, excluding recycling of excavated masses.

The EU Taxonomy sets the requirement for new construction projects that at least 70% of construction and demolition waste is to be recycled in order for a new construction or redevelopment project to be considered Taxonomy-aligned.

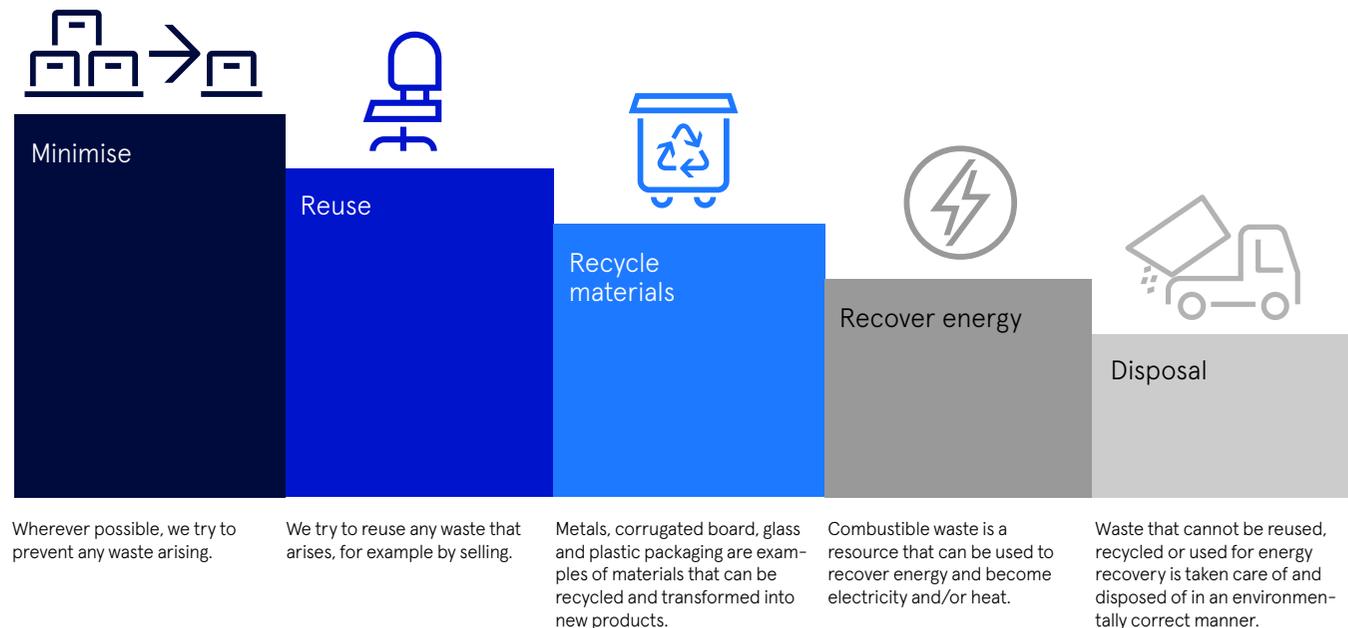
In addition to construction waste that arises from operations, Vasakronan also takes care of large amounts of waste from tenants' operations. Even though Vasakronan is unable to greatly affect the quantity or type of waste that arises in tenants' operations, Vasakronan can influence how well the waste is sorted by tenants since the company is responsible for the waste recycling facilities.

Boundaries

Vasakronan's influence is mainly exercised outside the organisation at construction contractors working on our construction projects, and at tenants who conduct operations at the company's properties. The waste that arises in Vasakronan's own organisation owing to our own property management is not deemed to be material in relation to the waste from construction projects and tenant waste. Since Vasakronan is a tenant at the company's own properties, the company's waste from operations is reported as tenant waste under this indicator without being reported separately.

Reporting only covers the waste that Vasakronan helps tenants with, not any waste for which the tenant is responsible for removal. This could encompass hazardous waste from healthcare operations or confidential papers, for example.

Waste hierarchy



Construction waste includes the waste that arises in direct connection with demolition and construction work at Vasakronan's construction sites.

Responsibility and governance

The CTO is responsible for ensuring good waste sorting at Vasakronan's properties. The CCO is responsible for ensuring that there are clear waste management provisions in our leases and for offering a waste management service, where each customer has their waste weighed before removal. This improves statistics for customers as well as for Vasakronan. The CIPO is responsible for planning project developments so that waste sorting is possible for future tenants and for

ensuring that waste issues are addressed in construction projects.

Work to reduce the company's environmental impact from waste is governed by Vasakronan's environmental policy, which in turn is based on the EU waste hierarchy. Vasakronan strives to minimise waste, to increase the proportion that is recycled or reused, and minimise the share that goes to incineration or landfill.

Waste minimisation programs for all major new construction and redevelopment projects are governed by the sustainability programme and by the guidelines and principles for construction. According to the sustainability programme, a waste workshop is to be held. The aim is to reduce the quantities of waste and to define a tangible efficiency target for each project.

Follow-up and reporting policies

Tenant waste and construction waste are monitored annually in connection with preparing the Sustainability Report.

Reporting amounts of tenant waste is based on weighed amounts of waste that were delivered through data files from the respective waste contractors to Vasakronan's monitoring system.

Tenant waste consists of operational waste and municipal waste (formerly known as household waste or equivalent). The operational waste is collected from properties and weighed by a contractor procured by Vasakronan, which reports monthly on the weight of the waste and the treatment method. The municipal waste may only be collected at the properties by a contractor appointed/procured by the respective municipality. Weighbridges are used to weigh municipal waste on refuse collection vehicles in Stockholm, Malmö, Sundbyberg and Gothenburg and Vasakronan receives reports on the weight of the waste and the treatment method. These reported weights are the basis for the estimated key metrics for the calculation of waste in the municipalities, Uppsala and Solna, where municipal waste is not weighed. This also applies to some addresses in Stockholm where the contractor is unable to lift the waste containers with a refuse collection vehicle.

Construction waste pertains to waste arising from new construction and redevelopment projects with a project cost in excess of SEK 1 million that were completed during the current year as well as leasehold improvements. Waste from new construction and redevelopment projects is based on the actual measurements summarised in waste reports upon completion. In the majority of leasehold improvement projects, waste reports are compiled at the end of the project. For a few leasehold improvement projects where it has not been possible to compile a waste report, an estimate is made based on data from the projects that have waste reports with an uncertainty margin of 25%.

Targets and fulfilment

The long-term objective is that neither the company's nor our tenants' operations should generate waste that cannot be recycled or reused. Ahead of 2024, Vasakronan set the target that 25% of tenants would use the waste management service since it was clear that tenants that use it have a much higher sorting rate. At the end of the year, 25% (17) of tenants used the waste removal service, thus meeting the target.

For waste from project operations, the target was to reduce the amount of waste (kg/sq. m.) in leasehold improvements by 5%. At the end of the year, the outcome was 11.1 kg/sq. m. (16.1), a decrease of 31%, thus meeting the target. During the year, the administration was closed on many projects originating from 2020-2022 and their waste was therefore included for projects that were completed in 2024, even though their actual material use took place much earlier. For this reason, achievement for this target only includes waste from projects that were actually conducted in 2024. However, to fully account for total waste and the company's climate impact, waste quantities for all

projects are included in reporting, even those that do not actually pertain to 2024. Most of these projects did not have as ambitious waste targets as those from 2024.

In 2024, tenant waste totalled 8,523 tons (8,681), of which 57% (59) was operational waste and 43% (41) was municipal waste.

The total amount of waste from operations decreased marginally to 4,836 tons (5,135). The amount of municipal waste reported increased to 3,687 tons (3,546). It is difficult to draw any clear conclusions about variations between years due to historically incomplete data. The ambition is to further improve statistics for future years.

Construction waste totalled 10,812 tons (17,544) and included waste from the large redevelopment projects and the leasehold improvement projects that were completed during the year. The decrease was attributable to the fact that fewer square metres were renovated in 2024.

Waste by processing method

Tons	Project waste, 2024	Tenant waste, 2024	Waste, total 2024	Waste, total 2023	Waste, total 2022
Waste excl. hazardous waste					
Material recycling ¹	7,363	3,645	11,009	10,112	58,838
Energy recovery/incineration	2,242	4,637	6,878	6,609	8,592
Destruction without heat production	0	0	0	0	50
Landfill	820	123	943	8,967	9,802
Total	10,425	8,405	18,830	25,688	77,282
Hazardous waste²					
Material recycling	181	116	297	263	255
Energy recovery/incineration	11	1	12	4	50
Landfill	195	0	195	270	940
Total	387	118	505	537	1,245
Total waste	10,812	8,523	19,335	26,225	78,527

1) Includes food waste sent for biogas production. 2) Includes electrical, special and other waste.

In waste follow up and comparison for the company's large projects, the amount of waste per square metre at Sperlingens Backe 47 is an outlier. This is because the project suffered a serious water leak in the middle of production and, as a result, the floor structure and a large portion of the walls needed to be replaced and redone.

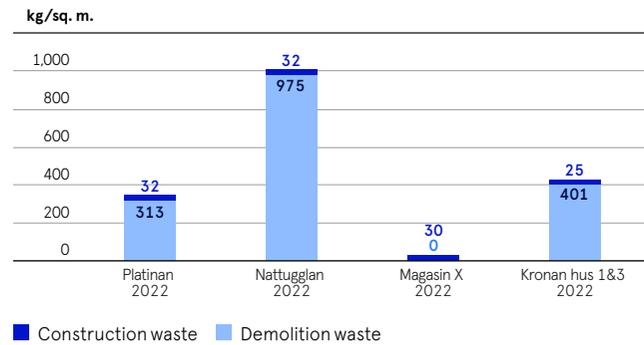
Lessons learned

It became clear during the year that progress at municipalities when it comes to reporting accurate waste data has been mixed. In order to obtain the necessary data for reporting, Vasakronan needs to apply for an exemption to use its own waste management supplier in these municipalities. It also became clear that there is some uncertainty in the operational waste data provided by the company's largest waste management contractor. In 2025, the company will therefore tighten the requirements for the waste management contractor to ensure the reliability of the data they provide. Vasakronan needs information about waste to meet the requirements set by the company's stakeholders, for example information to tenants and financiers and for environmental certification purposes. Another lesson learned about waste from large construction projects is that regular follow up during the year and over the course of the project is necessary in order to address outcomes that are not in line with the project's objectives and to take early action.

Contribution to the UN SDGs

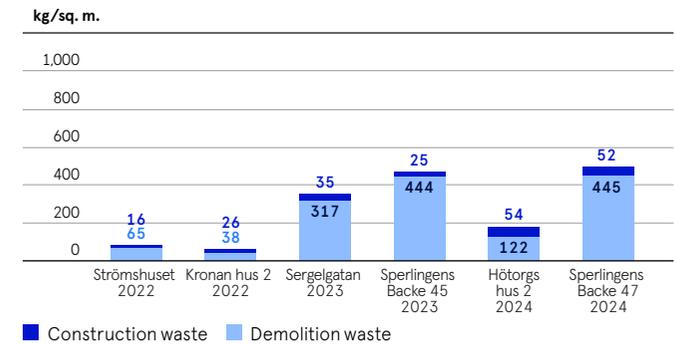
By reducing waste, Vasakronan contributes to achieving Goal 11 and its target 11.6, "Reduce the adverse per capita environmental impact of cities" as well as Goal 12 and its target 12.5, "Substantially reduce waste generation."

Waste in new construction projects

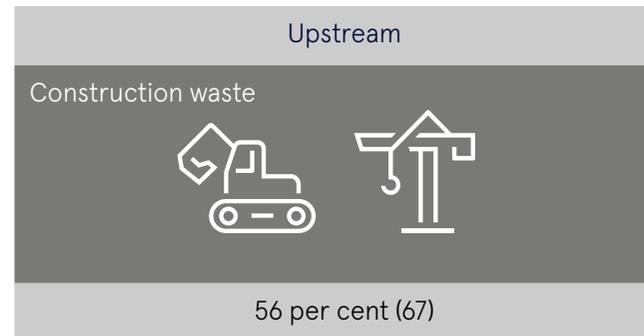


No new construction projects were completed in 2021, 2023 and 2024.

Waste in redevelopment projects



Waste's origin and distribution in the value chain



Construction and demolition waste from new construction, redevelopments and leasehold improvements.



Waste from tenants' operations left in shared waste-sorting rooms.

CRE8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment

Environmental certification of new and renovated properties means that Vasakronan can fulfil tenants’ growing environmental requirements. Environmental building certification is also a prerequisite for green financing.

Boundaries

Many aspects are assessed when environmentally certifying buildings, and Vasakronan cannot always have full control over some of them. Vasakronan decides which buildings will be certified, which certification will be chosen and which rating will be the objective. The reporting covers all of Vasakronan’s properties.

Responsibility and governance

Responsibility for environmentally certifying new construction and redevelopment projects lies with the CIPO. The CTO is responsible for certifying and recertifying existing buildings. The CCO is responsible for involving tenants in the work.

The environmental intensity of the project is governed by the sustainability programme for projects, an internal policy document. The document stipulates that all projects are to be certified under LEED, with the goal of reaching Platinum certification. If there is any deviation from the overall goal, information on the choice of certification and the level set as a goal must also be indicated in the decision memoranda produced for the respective projects.

Almost all of Vasakronan’s existing properties have been certified. In some cases the company decided to wait with certification since the building was awaiting a major redevelopment or other extensive measures. All existing buildings have to be recertified every three years.

Follow-up and reporting policies

The number of certified buildings is reviewed quarterly and reported in Vasakronan’s interim reports.

The number of certified buildings is reported as certified area relative to the company’s total area. Vasakronan counts only BREEAM, LEED and Miljöbyggnad as satisfactory certifications. GreenBuilding is excluded as it only encompasses the environmental topic energy, while WELL and Fitwel are excluded as they only focus on well-being for people who spend time in a building.

Targets and fulfilment

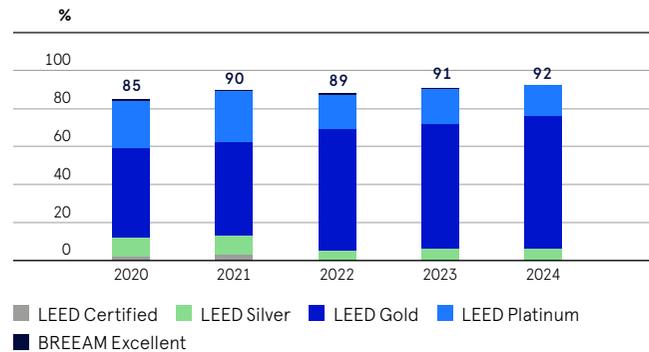
Vasakronan’s ambition is to environmentally certify all our properties. In 2024, five (zero) properties were newly certified and one (19) properties were recertified. At the end of 2024, 92% (91) of our total property portfolio was environmentally certified, of which the share of LEED Gold or better environmental certifications was 86% (85). In terms of market value, 92% (93) of our investment portfolio was environmentally certified by the end of 2024.

Lessons learned

One of the year’s lessons learned was that clarifying procedures and instructions are important for facilitating the recertification process of the existing buildings, primarily when tenants are involved since their engagement is required for parts of the process, such as obtaining sufficient responses to surveys about travel habits.

Another lesson learned during the year was that the EU Taxonomy clearly defines what constitutes environmentally sustainable new construction, renovation and existing buildings, meaning that the relevance of certifications will be something to consider going forward.

Environmental certifications



Share of the property portfolio’s total area. At the end of the year, 92% of the entire property portfolio was environmentally certified.

308-1 New suppliers that were screened using environmental criteria

In order to successfully conduct operations, Vasakronan needs to engage suppliers of various types. Since a large part of the company's environmental impact arises in the supply chain, assessing suppliers based on how they conduct their environmental work is of great importance.

Boundaries

It is Vasakronan who determines which requirements will be set for suppliers and which ones will ultimately be engaged. In turn, the engaged suppliers often have subcontractors. The exact number of subcontractors is difficult to estimate since the number per supplier can vary. The reporting only covers Vasakronan's direct suppliers, and out of those, only the supplier agreements signed by the Purchasing Department. The Purchasing Department has signed supplier contracts representing around 40% of the total spend.

Responsibility and governance

The Chief Development Officer (CDO) is responsible for procurement, which is organised as a central unit with responsibility for purchasing meeting strict requirements for quality and sustainability and that they take place at the lowest possible cost. Prior to every procurement, an evaluation of potential suppliers is conducted based on several criteria, for example, emissions and energy intensity. In addition to product- or service-specific requirements, all new suppliers must sign the Vasakronan's supplier Code of Conduct. Audits and construction site checks are conducted and questionnaires are circulated to check that our suppliers are living up to their commitments in the code and additional specifications, if any. Selection for audit takes into consideration the supplier's revenue from its relationship with Vasakronan and their answers in the sent out questionnaires as well as particular risks and focus areas.

Vasakronan's environmental policy states that the company is to prioritise suppliers who live up to the company's requirements, therefore all suppliers must be reviewed with respect to the environment, which is also stated in the company's procurement policy. Environmental requirements for suppliers at projects – the Sustainability Programme for Development Projects and Guidelines and Principles for Construction, for example – are placed in specific appendices to the agreement. General environmental requirements are summarised in the company's environmental policy and in a supplier Code of Conduct. The agreements with new suppliers always include the Code of Conduct for Vasakronan's suppliers. All new framework and service agreement suppliers are evaluated as regards the environment, working conditions and human rights.

Follow-up and reporting policies

Vasakronan works continually to increase control over the supply chain by reducing the total number of suppliers engaged and to have all procurements managed directly by the Purchasing Department. Work is also under way to increase the number of construction site checks for environmental as well as social aspects at the company's construction sites.

All suppliers are entered into a supplier register that includes information about agreed-upon requirements and appendices as well as events such as supplier audits and construction site checks. This supplier register is the source for information about the number and share of suppliers evaluated in terms of environmental requirements.

Supplier audits/checks of prioritised service suppliers are conducted by purchasing and include follow-up of Vasakronan's Code of Conduct, work environment and social conditions, business conduct and use of resources. Minutes are drawn up after each completed audit.

Targets and fulfilment

Ahead of 2024, the target was for supplier audits/checks to be performed for at least three prioritised service suppliers. In 2024, three

(two) supplier audits/checks were conducted, thus achieving the target. A total of seven (seven) major supplier audits were conducted in connection with contract meetings with the supplier.

The low number of audits/checks and contract meetings was due to high workloads in the purchasing organisation during the year.

The total number of suppliers engaged directly by Vasakronan totalled 2,459 (2,503) at year end. The suppliers that are primarily engaged are consultants (technical consultants and architects, for example), construction contractors, utility suppliers (electricity, district heating and district cooling), and service suppliers (cleaning and grounds service companies, for example). Since Vasakronan conducts operations exclusively in Sweden, our suppliers most often are also based in Sweden.

In 2024, a total of 228 (141) new supplier agreements were signed by the Purchasing Department. All of these suppliers, meaning 100%, signed the supplier Code of Conduct.

Lessons learned

It remains clear that internal guidance on purchasing requirements is needed in cases where the Purchasing Department is not responsible for the procurement. Furthermore, there is a clear need for additional resources in the Purchasing Department to enable more comprehensive supplier assessments and to also evaluate and check subcontractors in Vasakronan's value chain. There is also a need for a systematic and simple way to monitor the environmental impact of building materials upstream in the value chain.

Contribution to the UN SDGs

Through its supplier Code of Conduct, Vasakronan sets requirements for its suppliers regarding knowledge of and control over their environmental impact in several areas. This includes the material used, how waste is managed, improving energy consumption and actively working to reduce their emissions. By setting these requirements, Vasakronan is contributing to the goals based on indicators for material, waste, energy and emissions.

Social responsibility

403 Occupational health and safety

403-9 Work-related injuries

Sick leave leads both to unnecessary human suffering for the individual as well as direct and indirect costs for the company in the form of sick pay and loss of output. Vasakronan is a major purchaser for construction and installation work, and construction sites are some of the most accident-prone workplaces in Sweden. Vasakronan's operations can never come at the expense of people's health or well-being. One of the main risks to human health and well-being is work-related accidents and injuries in the company's supply chain.

The employer is responsible for ensuring a good physical, organisational and psychosocial work environment for their own employees. However, the greatest risk of serious accidents is outside Vasakronan's organisation. This includes those who carry out work on Vasakronan's behalf to manage and operate properties and on construction sites in construction project operations. It is possible for Vasakronan to influence the working environment at the supplier level in several ways. One of the most important conditions for a safe working environment at construction sites is a reasonable construction project schedule, which is primarily Vasakronan's responsibility as the client of the project. Therefore, in our role as client, these types of accidents are followed up and not only those that occur within the company's own organisation.

Boundaries

The reporting of sick leave only encompasses Vasakronan's own employees. The company's own employees as well as Coor employees who work at the company's properties are encompassed by the accident statistics, which also include accidents that have occurred at the company's construction sites.

Work has started on developing a system for also reporting accidents that impact other suppliers in conjunction with performing property management duties and services at Vasakronan's properties, for example cleaning services, snow removal (from roofs) and landscaping services.

Responsibility and governance

The CHRO is responsible for overall working environment and wellness measures for Vasakronan's employees, and for providing them with access to measures that promote health and the opportunity for rehabilitation after illness. The respective managers are responsible for reviewing employees' work situations.

The CIPO is responsible for monitoring work environment efforts at Vasakronan's construction sites. The equivalent responsibility for operation and maintenance contracts lies with the CTO.

Vasakronan's occupational health and safety agenda is based on the Swedish Work Environment Act and is governed by several policies, such as the company's policies for work Environment, diversity and inclusion, crisis management and the Employee Code of Conduct.

Employees provide their opinions through surveys, dialogues, associations, work environment meetings and safety officers. All Vasakronan employees are covered by the systematic work environment agenda. All managers with responsibility for personnel are trained in work environment issues, so that they can take an active responsibility for identifying risks and continuously improve the work environment.

The work environment in construction projects is governed by the sustainability programme for development projects, and the guidelines and principles for construction as well as through the supplier code of conduct.

Follow-up and reporting policies

The number of accidents at suppliers in major projects is reviewed regularly and summarised when the project is completed. Accidents that affected our employees, or those at Coor working in our properties, are followed up regularly and summarised annually when preparing the Sustainability Report. Monitoring of sick leave and long-term illness absence for Vasakronan's employees is conducted monthly and over a rolling twelve months.

Incidents and accidents are reported in the "Kris och incidenter" (Crisis and incidents) tool. This tool is available for all employees on Vasakronan's intranet, but reporting currently only covers Vasakronan employees. Reporting and accidents for Coor employees who work at our properties is collected at the end of the year.

Accident reporting in major construction projects (new construction and redevelopment projects) is compiled regularly by the contractor responsible during the project. A final report of accidents, incidents and hours worked is submitted to Vasakronan upon project completion.

During the year, construction site checks were conducted on at least one occasion at all of Vasakronan's major construction sites, with the exception of those in the early or late stages of completion. The audits are conducted with the help of third parties and include checks on work permits, authorisations, personal protective equipment and drug tests. Minutes are obtained after each completed audit.

Targets and fulfilment

Vasakronan’s long-term objective is that no employee or person carrying out work on behalf of the company should be injured at work. Ahead of 2024, a target was set to reduce the number of worksite accidents on projects. The number of accidents and the accident rate both increased during the year and, accordingly, the target was not reached. While the projects have been spared any serious accidents, there has been an increase in less serious accidents.

Accidents with machinery and tools as well as falls from heights are the most common causes of serious accidents within the construction industry. Safety rounds are carried out to minimise the risk of serious accidents, as well as proactive work with risks and job planning to ensure that work is well planned with risks minimised before construction begins. In the two redevelopment projects that were completed in the year, there were a total of 34 accidents (19) and 33 incidents (44). The types of accidents included cuts, crush injuries and sprains. None of these injuries were considered serious¹. The accident rate, all accidents, for completed projects increased to 42.1 (10.4). Refer to the table Accidents and incidents in new construction and redevelopment projects for more information.

A target was also set for 2024 of conducting construction site checks at all major projects and for at least 25 other construction projects. Site checks were completed at one of three major construction sites and at 25 other construction projects and, accordingly, the target was not reached.

1) Work-related injuries that result in a death or an injury from which the worker cannot recover, or does not or is not expected to recover fully to pre-injury health status within six months.

Vasakronan’s employees were not involved in any accidents (0) in 2024. During the year, one accident (eight) took place among Coor employees working at Vasakronan’s properties and comprised a slip-and-fall accident, where the individual was back at work after five days. An estimated 295,853 hours were worked, leading to an accident rate, for all accidents, of 3.4.

In 2024, the average sick leave was 2.6% (2.4). The distribution by gender is shown in the accompanying diagram.

Lessons learned

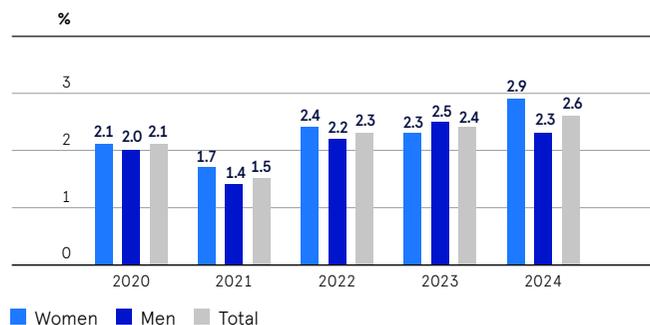
It remains clear that the follow-up structure for monitoring work-related accidents differs highly among the company’s own employees, service suppliers and construction contractors. Follow-up of service suppliers needs to be improved, with clearer definitions and instruc-

tions for reporting. A greater focus on proactive work, not just accidents and incidents, is needed in all categories.

Contribution to the UN SDGs

Through occupational health and safety efforts, Vasakronan contributes to achieving Goal 3 and its target 3.4, “Reduce by one third premature mortality from non-communicable diseases and promote mental health and well-being” and Goal 8 and its target 8.8, “Protect labour rights and promote safe and secure working environments for all workers.”

Sick leave



Accidents and incidents in new construction and redevelopment projects

	2024	2023	2022	2021
Fatalities	0	0	0	0
Accidents leading to absence from work	16	3	-	-
- of which serious accidents	0	0	-	-
Accidents without absence from work	18	16	-	-
Incidents	33	44	159	123
Total number of accidents²	34	19	140	50
Accident rate ³ , all accidents	42.1	10.4	26.7	14.2
Accident rate ³ , accidents with absence from work	19.8	1.6	-	-
Number of hours worked	806,890	1,821,882	5,234,506	3,528,217

2) There is no data for some of the projects completed in 2021 and 2022 regarding whether or not accidents led to an absence from work.

3) Per one million hours worked.

405-1 Diversity of governance bodies and employees

405-2 Ratio of basic salary and remuneration of women to men

Vasakronan wants to reflect the society in which the company operates. There is a conviction that success is achievable by avoiding overly homogeneous groups. Research shows that groups with a more heterogeneous composition are often more innovative and solve problems more efficiently.

Boundaries

The impact within Vasakronan's own organisation occurs in connection with recruitment of new employees and when employees leave. Reporting covers only individuals employed at Vasakronan, and not individuals who perform work under conditions similar to employment (consultants).

Responsibility and governance

The work on diversity and equal treatment is managed by the CHRO. Each manager at Vasakronan is responsible for creating groups marked by diversity and for no employees being discriminated against. Any cases of discrimination are captured by one of the following channels: employee surveys, immediate supervisors, the HR division, union parties, the company's compliance officer or the external whistleblower function.

The composition of the Board is governed by the company's Nomination Committee, which is appointed by the owners. The work concerning the company's employees is mainly governed by Vasakronan's Diversity and Inclusion Policy, which states that all operations will have an inclusive culture, be free from discrimination and harassment and that all employees and job applicants will be treated equally. All employees, regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age must be given equal opportunities for development and advance-

ment, as well as equal pay for work of equal value. In addition, there is an internal Code of Conduct for employees and Board members that emphasises the importance of everyone's right to an inclusive work environment free from harassment and discrimination.

Follow-up and reporting policies

To ensure that no unreasonable pay gaps occur at Vasakronan, wage surveys are conducted every year. The survey is performed in collaboration with a third party to ensure the highest possible level of objectivity.

Data about the number of employees, and gender and age are taken from Vasakronan's HR system. Data on the number of consultants used is taken from Vasakronan's internal system for consultant administration. Data on pay gaps between men and women is taken from Vasakronan's annual salary survey. Data on the percentage of employees with foreign backgrounds was obtained from Nyckeltalsinstitutet/Statistics Sweden. Data on trainees and summer workers from under-represented groups are monitored and compiled by HR.

Targets and fulfilment

The long-term objective of Vasakronan's equal treatment policy is that all employees must be given equal opportunities for development and advancement, as well as equal pay for work of equal value. Ahead of 2024, a target was set for at least 15 trainees or summer workers to come from under-represented groups. Of a total of 30 trainees and summer workers (36) were hired during the year, 17 came from under-represented groups (17), and the target was met.

On 31 December 2024, the number of employees was 311 (300), of which 304 (296) were permanent employees and seven (four) were on time-limited contracts. One (0) employee had a part-time contract. The number of hourly employees is limited to young people with holiday work and is not included in this report. At the end of the year, all employees were covered by collective agreements and all were salaried.

Composition of the Board, management and other employees based on gender and age is given on page 139 and in the presentation of the Board and management on pages 45–48.

Women's salaries relative to men's



■ All female staff ■ Managers, women

In 2024, female employees had 101% of men's salaries and among managers, women earned 114% of men's salaries.

Pay ratio of highest earner to median

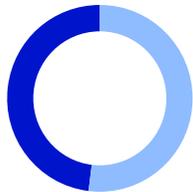
	2024	2023	2022
Total remuneration to highest earner in the organisation, SEK thousand	6,107	5,809	5,722
Total remuneration to other employees, median, SEK thousand	649	623	678
Ratio of the annual earnings of the highest earner to the median earner (excl. highest earner)	9.4	9.3	8.4
Salary growth rate for CEO, %	5.1	1.5	8.2
Salary growth rate for median, %	4.2	-8.2	5.3
Ratio of the salary growth rate of the highest earner to the median earner	1.2	-0.2	1.6

The figures have not been recalculated to FTEs. All remuneration has been included, i.e., fixed and variable remuneration. The company's CEO is the highest earner. The decrease in total remuneration to other employees, median, for 2023 is explained by Vasakronan's strategy to focus on younger new hires when possible. During the year, 57 people were recruited with an average age of 34.



Breakdown by gender (women and men) and age as of the balance-sheet date

All employees

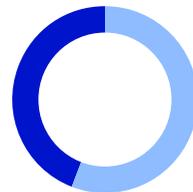


Women, 52% (49)
Men, 48% (51)

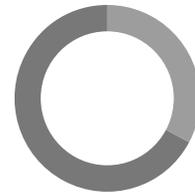


≤29 years, 12% (11)
30-49 years, 52% (51)
≥50 years, 37% (40)

Management Team

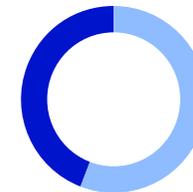


Women, 56% (56)
Men, 44% (44)

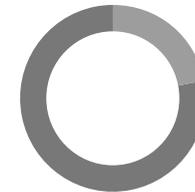


≤29 years, 0% (0)
30-49 years, 33% (11)
≥50 years, 67% (89)

Board of Directors



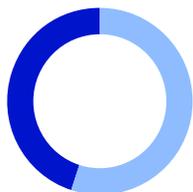
Women, 56% (56)
Men, 44% (44)



≤29 years, 0% (0)
30-49 years, 22% (22)
≥50 years, 78% (78)

Distribution, women and men, by region, at the balance-sheet date

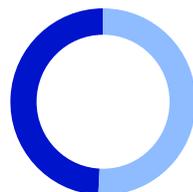
Stockholm



Women, 55% (52)
Men, 45% (48)

The number of employees in Stockholm was 202.

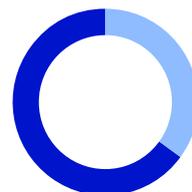
Gothenburg



Women, 51% (46)
Men, 49% (54)

The number of employees in Gothenburg was 47.

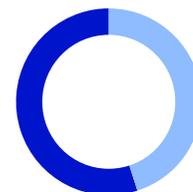
Malmö



Women, 35% (37)
Men, 65% (63)

The number of employees in Malmö was 31.

Uppsala



Women, 45% (46)
Men, 55% (54)

The number of employees in Uppsala was 31.

On 31 December 2024, the number of employees was 311 (300), of which 304 (296) were permanent employees, 7 (4) were on time-limited contracts and 1 (0) had a part-time contract. The number of hourly employees is limited to young people with holiday work and is not included in this report. As the number of employees on time-limited contracts only amounts to 7 people, Vasakronan does not report these employees.

At the end of the year, 277 (278) consultants were employed in operations. Of these, about 31% were hired in as external project leaders in new construction and redevelopment projects. Other consultants were hired primarily as replacements for existing personnel, for example in connection with parental leave or sick leave. There are no seasonal variations.

The 2024 salary survey found that women earn 101% (102) of what men earn and that female managers earn 114% (116) of what male managers earn. The 2024 salary survey did not reveal any unfair pay gaps.

Lessons learned

One lesson learned in the preparation for the upcoming legal requirements (CSRD) was that there is a clear expectation for Vasakronan to follow up more diversity aspects besides age, gender and foreign background. However, some difficulties exist regarding the presentation of this follow-up and how the company can store this information in a legally sound manner without violating personal privacy.

Contribution to the UN SDGs

By engaging with diversity and equal treatment, Vasakronan contributes to achieving Goal 5 and its target 5.5, "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life." The company also contributes to achieving Goal 8 and its target 8.5, "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value" as well as Goal 10 and its target 10.2, "By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status."

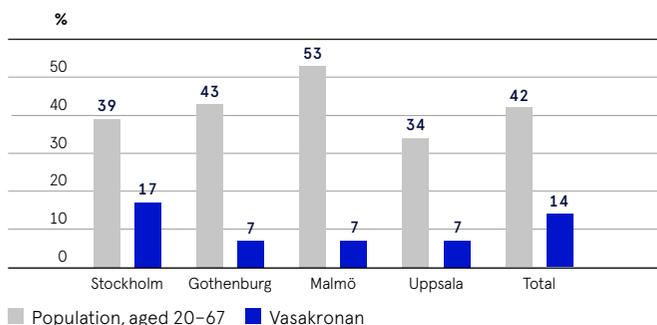
414-1 New suppliers that were screened using social criteria

In order to successfully conduct operations, Vasakronan needs to engage suppliers of various types. Each purchase must be conducted with professional accuracy, objectivity and honesty while observing good business practice. Purchasing is also based on competitive procurements. Suppliers and tenders are assessed and prioritised based on how well they meet the requirements set, competence and efforts toward quality and sustainability as well as risk function, performance, design and price.

Boundaries

It is Vasakronan who determines which requirements will be set for suppliers and which ones will ultimately be engaged. In turn, the engaged suppliers often have subcontractors. The exact number of subcontractors is difficult to estimate, since the number per supplier can vary. The reporting covers the supplier agreements signed by the Purchasing Department. The Purchasing Department has signed supplier contracts representing around 40% of the total spend.

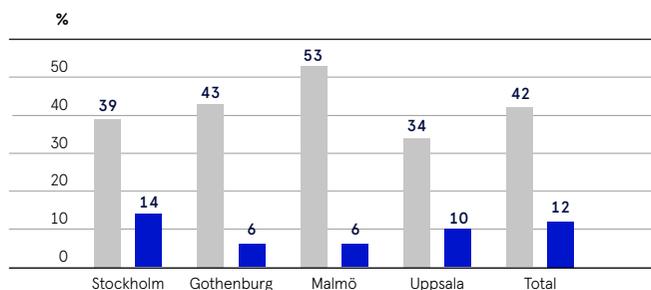
Share of employees with a foreign background, 2024



Share of employees with a foreign background in Vasakronan compared with foreign background in the population (20-67) in the same locations.

Source: Statistics Sweden

Share of employees with a foreign background, 2023



Responsibility and governance

The Chief Development Officer (CDO) is responsible for procurement, which is organised as a central unit with responsibility for purchasing meeting strict requirements for quality and sustainability and that they take place at the lowest possible cost. Prior to every procurement, an evaluation of potential suppliers is conducted based on several criteria, for example, the risk of human rights violations or labour crime and whether there is a systematic work environment and collective agreements. In addition to product- or service-specific requirements, all new suppliers must sign the company's supplier Code of Conduct. Audits and construction site checks are conducted and questionnaires are circulated to check that our suppliers are living up to their commitments in the code and additional specifications, if any.

Selection for audit takes into consideration the supplier’s revenue from its relationship with Vasakronan and their answers in the sent out questionnaires as well as particular risks and focus areas.

Requirements regarding such aspects as working conditions and human rights are established in the Supplier Code of Conduct. The agreements with new suppliers always include the Code of Conduct for Vasakronan’s suppliers. Since 2017, all new framework and service agreement suppliers have been evaluated as regards the environment, working conditions and human rights, as established by the Procurement policy.

To reinforce the opportunity for employees or external parties to anonymously report suspicions of breaches of laws and regulations regarding working conditions or human rights, there is a whistleblower function.

Follow-up and reporting policies

Vasakronan works continually to increase control over the supply chain by reducing the total number of suppliers engaged and to have all procurements managed directly by the Purchasing Department. Work is also under way to increase the number of construction site checks for environmental as well as social aspects at the company’s construction sites.

All suppliers are entered into a supplier register that logs information about agreed-upon requirements and appendices as well as events such as supplier audits and construction site checks.

Targets and fulfilment

For 2024, a target was set for all agreements that the Purchasing Department is responsible for: they are to include a clause stipulating that suppliers are to strive to offer work/internships to those who are far removed from the labour market. The clause was included in 95% of the contracts signed by the end of 2024, meaning that the target was not met. At the beginning of the year, a few contracts did not have the clause at the time of signing. While appendices to the contracts have been sent to the suppliers, at the end of 2024, 5% of the contracts had yet to be signed by the supplier.

An additional target set in 2024 regarding agreements signed by the Purchasing Department was for all new suppliers to be assessed. During the year, 100% of all suppliers were audited, and accordingly, the target was met.

The total number of suppliers engaged directly by Vasakronan totalled 2,459 (2,503) at year end. The suppliers that are primarily engaged are consultants (technical consultants and architects, for example), contractors (mainly construction contractors), utility suppliers (electricity, district heating and district cooling), and service suppliers. Since Vasakronan conducts operations exclusively in Sweden, our suppliers most often are also based in Sweden.

In 2024, a total of 228 (141) new supplier agreements were signed by the Purchasing Department. All of these suppliers, meaning 100%, signed the supplier Code of Conduct.

Lessons learned

It remains clear that internal guidance on purchasing requirements is needed in cases where the Purchasing Department is not responsible for the procurement. Furthermore, there is a clear need for additional resources in the Purchasing Department to enable more comprehensive supplier assessments and to also evaluate and check subcontractors in Vasakronan’s value chain.

Contribution to the UN SDGs

By setting requirements for suppliers regarding decent work and human rights, Vasakronan contributes to achieving Goal number 3 and target 3.4, “Reduce by one third premature mortality from non-communicable diseases and promote mental health and well-being.” Work also contributes to achieving Goal 5, primarily its target 5.5, “Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making” and to Goal 8 and its target 8.8, “Protect labour rights and promote safe and secure working environments for all workers.”

416-A Measures taken to maintain a high level of safety and security in and around properties, and the outcomes of safety measurements

Feeling safe and secure in their local surroundings is important for most people. As employers, it is of great importance to Vasakronan’s tenants to ensure that their employees have a workplace and a commute that they feel is safe and secure – an issue that has become increasingly important when selecting premises. It is also critical for retail tenants that locations feel safe and secure so that they have more visitors.

Boundaries

The reporting encompasses actions taken by Vasakronan to improve safety and security around the properties. To create a greater impact, some of these actions are conducted together with other actors with operations around Vasakronan’s properties, such as other property owners and the municipality.

Responsibility and governance

The CIPO is responsible for designing new construction and redevelopment projects with a focus on creating comfortable and safe areas. This responsibility also includes working with other actors and ensuring that safety and security measures are implemented during construction.

The CTO is responsible for making sure that safety features like security patrols, surveillance and entry systems are well-functioning and that safety measures are included in maintenance and development plans for the existing properties.

The CCO is responsible for following up the tenant experience of security and safety through questions in various surveys to Vasakronan’s customers.



There are no governing documents or policies that govern work with safety measures. An annual prioritisation of the work to be done is accomplished by analysing what tenants want and the possible measures that can be taken in each property and area, by Vasakronan itself or together with others. There are operating routines for the ongoing property management work that govern how security issues are handled, such as surveillance procedures and security patrols.

An important part in the overall work for safe and secure neighbourhoods is creating a mix of different operations, such as offices, retail, homes and culture. This variety creates a more dynamic environment throughout the entire day, every day of the week.

Follow-up and reporting policies

The number of measures for increased security and safety are reviewed annually when preparing this Sustainability Report.

At the end of the year, the measures implemented in each city are compiled for the existing property portfolio.

Targets and fulfilment

The long-term objective for Vasakronan's properties and neighbourhoods is that they should feel safe and secure.

For 2024, the goal was to increase perceived safety in the company's prioritised neighbourhoods. So-called zero measurements were performed in all seven prioritised neighbourhoods during the year and a safety index has been developed. While the daytime perceived safety index only differs marginally in the neighbourhoods where safety measurements were conducted, the level of perceived safety declines in locations where fewer people move around at night. Going

forward, the impact of safety measures implemented in the prioritised neighbourhoods will be analysed. However, it is too early to say whether perceived safety has increased in 2024, or whether the target has been achieved.

Over the year, 87 actions (134) were implemented to increase security in and around the properties. Examples include updated entry systems, increased patrols, stronger and increased lighting in and around properties, safety walks and security reviews. Another measure is to increase the number of businesses, such as shops and restaurants, at street level. This creates a dynamic, active atmosphere and helps to increase safety.

In several Stockholm locations, Vasakronan works with the "Tryggare Sverige" (Safer Sweden) foundation and the City of Stockholm with the aim of making Stockholm city and Kista safer neighbourhoods.

There is a partnership with Purple Flag and the Swedish Property Federation in Gothenburg to highlight places that have successfully worked to improve safety and access, and that also offer a diverse selection at night.

Lessons learned

From a reporting perspective, measuring perceived safety is a relatively undeveloped area. The industry has no established practice or uniform standard on how to measure and follow up this area, which makes comparison difficult. For Vasakronan, tracking the development of perceived safety within its own property portfolio entails continuing to work with the indices that have now been developed.

Contribution to the UN SDGs

By maintaining a safe and secure environment in and around Vasakronan's properties, the company contributes to achieving Goal 5 and its target 5.2, "Eliminate all forms of violence against all women and girls," Goal 10 and its target 10.2, "Empower and promote the social, economic and political inclusion of all," Goal 11 and its target 11.7, "Provide universal access to safe, inclusive and accessible, green and public spaces," and Goal 16 and its target 16.1, "Significantly reduce all forms of violence."

Auditor’s Limited Assurance Report on Vasakronan AB (publ)s Sustainability Report and statement regarding the Statutory Sustainability Report

To Vasakronan AB (publ), Corp. id. 556061-4603

Introduction

We have been engaged by the Board of Directors of Vasakronan AB (publ) to undertake a limited assurance engagement of Vasakronan AB (publ)s Sustainability Report for 2024. Vasakronan AB (publ) has defined the scope of the Sustainability Report on pages 111-112 in this document, the Statutory Sustainability Report is defined on page 112.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024. The criteria are defined on pages 111-112 in the Sustainability Report, and GRI (Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our responsibility is limited

to the historical information reported and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance engagements other than audits or reviews of financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR:s auditing standard RevR12 *The auditor’s opinion regarding the Statutory Sustainability Report*. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Vasakronan AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion

based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm March 26th 2024
KPMG AB

Johanna Hagström Jerkeryd
Authorized Public Accountant

Torbjörn Westman
Expert member of FAR



Taxonomy-aligned proportion of activity 7.7

The complete tables of the proportion of Vasakronan's turnover, CapEx and OpEx that is aligned with the EU Taxonomy and activity 7.7. Acquisition and ownership of buildings are presented below. For more information about the EU Taxonomy Regulation, see pages 90–93.

Financial year 2024				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023			
Economic activities	Code	Proportion of Turnover 2024		Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safe-guards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
		Turnover SEK million	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	5,526	58%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	43%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5,526	58%	58%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	43%		
Of which enabling		0	0	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0	E	
Of which transitional		0	0	0%						-	-	-	-	-	-	-	0		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	3,886	41%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								57%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,886	41%	41%	0%	0%	0%	0%	0%								57%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		9,412	100%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		35	0%																
TOTAL		9,447	100%																



Financial year 2024				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023			
Economic activities	Code	Proportion of CapEx 2024		Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safe-guards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023	Category enabling activity	Category transitional activity
		CapEx	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	891	37%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	34%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		891	37%	37%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	34%		
Of which enabling		0	0	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0	E	
Of which transitional		0	0	0%						-	-	-	-	-	-	-	0		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	1,469	61%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								66%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,469	61%	61%	0%	0%	0%	0%	0%								66%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		2,360	98%	98%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		55	2%																
TOTAL		2,415	100%																



Financial year 2024				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023			
Economic activities	Code	Proportion of OpEx 2024		Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safe-guards	%	Category enabling activity	Category transitional activity
		OpEx	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	63	48%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	33%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		63	48%	48%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	33%		
Of which enabling		0	0	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0	E	
Of which transitional		0	0	0%						-	-	-	-	-	-	-	0		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	69	52%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								67%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		69	52%	52%	0%	0%	0%	0%	0%								67%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		132	100%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0%																
TOTAL		132	100%																



Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Annex II

Additional tables for economic activities

	Proportion of turnover/total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	58%	100%
CCA	%	N/A
WTR	%	N/A
CE	%	N/A
PPC	%	N/A
BIO	%	N/A

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	37%	98%
CCA	%	N/A
WTR	%	N/A
CE	%	N/A
PPC	%	N/A
BIO	%	N/A

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	48%	100%
CCA	%	N/A
WTR	%	N/A
CE	%	N/A
PPC	%	N/A
BIO	%	N/A

Definitions

Annual rent, SEK m

Base annual rent plus indexation and other supplements.

Area, sq. m.

Lettable area, not including garages and parking spaces on the closing date.

Average fixed-interest tenor, years

The volume-weighted remaining maturity on fixed-interest rates on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

Average interest rate, %

The volume-weighted interest rate on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

Average loan-to-maturity, years

The volume-weighted remaining maturity on interest-bearing liabilities and derivatives on the closing date. Intended as an indication of the company's financial risk.

Average remaining term to maturity, years

The total contract value of commercial facilities divided by contracted rent for commercial facilities.

Cash and cash equivalents, SEK m

Cash and bank balances, along with current investments with maturities of less than three months. Intended as an indication of the company's liquidity.

Central administration, SEK m

Costs at the Group level that are not directly related to property management, such as costs associated with the Group management, property investments, financing and central marketing.

Comparable property holdings

Properties included in holdings during the entire reporting period, and during the entire comparison period. Properties that were classified as project developments, or that were acquired or sold during the reporting period or comparison period are not included.

Contracted rent, SEK m

Total annual rent from contracts in effect as of the closing date.

Contracted rent by property type, SEK m

Contracted rent categorised according to the assigned premises use, for each lease, broken down as offices, retail and other. The category "other" includes residential space, parking and hotels.

EBITDA, SEK m

Operating surplus less central administration, with the addition of cash flow from dividends from joint ventures and less ground rents and land leases. Intended as an indication of the current earnings in property management activities.

EBITDA margin, %

Rental revenue in relation to EBITDA. Intended as an indication of the current earnings in property management activities.

Economic occupancy rate, %

Contracted rent divided by the rental value on the closing date.

Environmental certification of investment properties, %

Total area of investment properties that have obtained certification in accordance with BREEAM, LEED or Miljöbyggnad, divided by the area for all property holdings, on the closing date.

EPRA NDV (Net Disposal Value), SEK m

Equity adjusted for goodwill and the fair value of interest-bearing liabilities as well as the full extent of deferred tax.

EPRA NRV (Net Reinstatement Value), SEK m

Recognised equity, adding back goodwill, derivatives and deferred tax. The metric shows the company's EPRA NAV.

EPRA NTA (Net Tangible Assets), SEK m

Recognised equity adding back goodwill, derivatives and other intangible assets after adjustment for estimated actual deferred tax. Calculated on the basis of a 30% current tax rate, in other words 6.2%. The metric reflects the actual NAV.

Equity/assets ratio, %

Equity divided by total assets on the closing date. Intended as an indication of the company's financial stability.

Income from property management, SEK m

Profit after net financial items excluding changes in value, tax and interest expenses from associated companies and joint ventures.

Interest coverage ratio, multiple

EBITDA in relation to net financial items. Intended as an indication of the company's sensitivity to fluctuations in interest rates.

Investments in existing projects, SEK m

Investments in ongoing projects. Intended as an indication of the company's investment volume.

Loan-to-value (LTV) ratio, %

Net interest-bearing liabilities divided by the fair value of investment properties on the closing date. Intended as an indication of the company's financial risk.

Net financial items, SEK m

Financial income less financial expenses excluding ground rents and land leases.

Net interest, SEK m

Interest income less interest expenses.

Net interest-bearing liabilities, SEK m

Interest-bearing liabilities less cash and cash equivalents. Intended as an indication of the company's financial risk, excluding IFRS 16.

Net interest-bearing liabilities/EBITDA, multiple

Interest-bearing liabilities less cash and cash equivalents in relation to EBITDA. Intended as an indication of the company's financial risk.

Net investments, SEK m

The purchase price for property acquisitions, along with investments in property projects, less the consideration received from property divestment. Intended as an indication of capital invested in properties.

Net lettings, SEK m

Contracted rent for new lettings during the period less contracted rent for leases where notices to vacate were received during the period.

Operating surplus, SEK m

Rental revenue less operating expenses, repairs and maintenance, property administration and property tax. For periods until 1 January 2019, ground rents and land leases are also deducted. Intended as an indication of the current earnings in property management activities. External control metric.

Primary energy demand, kWh/sq. m.

The building's energy consumption is multiplied by weighting factors, depending on the energy carrier(s) used. The heating energy is then divided by a geographic adjustment factor. Finally, the result is divided by the building's temperate area.

Property acquisitions, SEK m

Acquisition of investment properties. Intended as an indication of the company's acquisitions during the period.

Property category

The primary use of the property based on rental revenue.

Property divestments, SEK m

Divestment of investment properties. Intended as an indication of the company's divestments during the period.

Rental value, SEK m

Contracted rent plus the assessed market rent for vacant premises.

Return on equity, %

Earnings after tax divided by the average of opening and closing equity after adjustment for dividends distributed. Intended as an indication of the return on equity.

Specific energy consumption, kWh/sq. m.

Annual total for energy consumption, adjusted to the level of a normal year, from heating, comfort cooling and landlord controlled electricity, divided by the temperate area (indoor area for all floors of a building that are heated to more than 10°C). Reported energy intensity also includes some tenant electricity and process cooling which, for technical reasons, is not possible to remove from the property electricity calculation.

Surplus ratio, %

Operating surplus divided by rental revenue. Intended as an indication of the current earnings in property management activities.

Total yield, total holdings, %

Sum total of yield and change in value, including projects and transactions. Calculated according to the same method as the MSCI Swedish Property Index. Intended as an indication of the return on total assets.

Value change in the total property portfolio, %

Value change in SEK, divided by market value for all property holdings, that is including projects and transactions at the start of the period. In the five-year overview, the value change is reported according to the same method as the MSCI Swedish Property Index. Intended as an indication of the value change in the property holdings.

Yield, total holdings, %

Net operating income as a percentage of the sum of the properties' opening market value, plus half of the year's investments and less half of net operating income during the year. Calculated according to the same method as the MSCI Swedish Property Index and pertains to all property holdings including projects and transactions. Intended as an indication of the return on current earnings from the properties.

Financial Calendar

REPORTS

Interim report Jan–Mar 2025	5 May 2025
Mid-year report Jan–Jun 2025	9 July 2025
Interim report Jan–Sep 2025	5 November 2025
Year-end report 2025	4 February 2026
Annual Report 2025	March 2026

ANNUAL GENERAL MEETING

Annual General Meeting	5 May 2025
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